

WORLD NEWS

THE EURO

PLEASANT SURPRISE ALL THE SYSTEMS THAT MIGHT HAVE GONE WRONG DIDN'T, THOUGH DUAL-DENOMINATION MAY YET PRESENT PROBLEMS

A smooth birth, all the family seem happy

By Wolfgang Minzschau
In Frankfurt

After years of dire warnings it came as a pleasant surprise that the birth of Europe's single currency this week proceeded as smoothly as one could have hoped.

Computer systems did not crash. Accounts did not get erased. Target, the cross-border payment system run by the European Central Bank, managed to channel record sums from one corner of the euro-zone to another.

To top it all, the euro managed to be a strong currency on the first day of trading. There was no fundamental economic reason for this, especially since the euro subsequently reversed the

gains, but it was a nice touch anyway. Even the stock markets surged – albeit for different reasons.

A beggar in downtown Frankfurt marked the occasion by holding up a sign saying that he, too, would now accept euros, unlike many of the city's department stores, whose cashiers seemed lost for words when customers insisted on paying in the unfamiliar new unit. Fortunately, most of those buyers were journalists who were sent out to test the system. The real world has decided to stick to the familiar, far now.

Customers seem to have realised that there is little advantage in switching over to euros during the transitional period until early

2002, when euro banknotes and coins are being introduced. Legally, a distinction between the euro and national money is meaningless because national notes and coins are nothing other than an odd denomination of the euro anyway.

However, many people will have to cope with a dual-denomination world for the next three years. Their income and most outgoings will typically be denominated in national currency, while their wealth will be denominated in euros, at least to the extent that their wealth is made up of bonds and shares.

This means that the euro is largely a currency for the financial markets – at least for now. Here, Europeans

spent the first week of the new regime getting used to unfamiliar denominations. Previously it was customary to denote the exchange rate as the amount of D-Marks or francs it would cost to buy \$1 or £1. Now the euro is the measure of all things. The new exchange rate is expressed in terms of how many dollars or pounds it costs to buy €1.

Share prices and dividends, too, have been re-denominated in euros – which has led to some initial confusion. And, of course, there are also many fewer millionaires left in the 11 euro-zone countries which have resulted in a large number of interbank payments ending up at the wrong address. After a series

of meetings this week in London new guidelines were broadcast to banks last night on the Swift interbank electronic message network.

After the launch of the euro this week, half a dozen large banks were handling payment instructions in a way that did not comply with guidelines established by the Heathrow group, an informal alliance of the biggest international payments banks.

The errant banks included some of the largest German banks, handling huge volumes of euros, but some Dutch and US banks were also not complying with the instructions.

"I think it's fair to say the rest of the market ganged up on them," said one banker.

The Académie Française, the highest authority on the French language, has put an end to the increasingly heated debate dividing France's intellectuals over the appropriate term to describe the geographic area using the new European single currency – the euro.

The choice of "zone euro" – the euro-zone – was seen as somewhat dull, but should come as a relief to the large number of writers, journalists and language experts fighting to abolish the term "euroland", which had gradually imposed itself after being used for several years in US and UK banks' dealing rooms.

The academy decrees that it is the term "euro zone" which must be used in France and francophone countries, it said in a statement. "There has never been talk of a 'dollarland' or 'sterlingland', but there exist a 'franc zone', a 'sterling zone' and a 'dollar zone'."

In the past few days, as "euroland" seemed set to become the standard term, a handful of experts sought to compromise by adding a final "e". "Eurolande", they claimed, was an honourable escape from the "Anglo-Saxon invasion". The academy, however, said any word containing "land" – or "lands" for that matter – would be misleading. "This is not about naming a sovereign state, or even a confederation, but only the area where a treaty is applicable," it said.

UNITED KINGDOM

Europhobe press keeps quiet

The smooth launch of the euro – and the absence of widespread panic or insurrection – spoiled the new year for the editors of some of Britain's eurosceptic newspapers.

While papers such as Rupert Murdoch's Sun and Times have been campaigning vigorously to "save the pound" for years, the advent of the dreaded euro passed with little of the euro-bashing that might have been expected. Instead, most British newspapers decided the momentous monetary events on the continent were less interesting than the new year blood-letting in Tony Blair's government.

"Welcome to euroland: Britain on sidelines as 300m people in 11 states launch single currency," said the pro-European Guardian, summing up the sense of detachment from the events unfolding on the continent.

The loudest warning voices came from the Daily Mail, a rightwing tabloid, which reported senior officials in the UK Treasury denouncing the low calibre of staff being assembled at the European Central Bank.

The downbeat reaction of the most euro-phobic sections of the press will encourage Tony Blair, prime minister, who wants to take Britain into the euro, but fears a vote-damaging backlash from the UK media.

GERMANY

Little triumphalism

Germany's politicians have been remarkably reluctant to sound fanfares. In Bonn you would hardly notice the difference since Monday, and not just because Gerhard Schröder only returned mid-week from his holiday on the Costa del Sol. Whereas Helmut Kohl, the former chancellor, would have seen the historical symbolism, the new government's stance on Europe is pragmatic – and certainly not triumphalist.

That has not stopped the German press, which generally supports ever greater European integration, from celebrating the euro's debut with bold and confident headlines. Even the sober Frankfurter Allgemeine chided Oskar Lafontaine, the finance minister, for refusing to interrupt his holiday for the New Year's eve meeting of finance ministers in Brussels. Die Zeit proclaimed on its main euro page: "The new currency changes the world." Underneath it debated the "duel with the dollar". And at the bottom of the page it wrote of "the great angst of the British".

SPAIN

Few regrets for peseta

El País, Spain's leading daily, greeted the currency's introduction as "the most important decision since the European integration process was launched in the early 1950s". There was little to regret in the demise of the peseta, Spain's currency for the last 130 years, a currency without credibility, subject to cyclical devaluations", the newspaper said. It saw monetary union giving Spain a better chance of narrowing its wealth gap with northern neighbours.

BELGIUM

Not a dissenting voice

Even before the single currency was launched there was a distinct euro theme to Christmas decorations strung up around Brussels' Grande Place. Many shops quickly entered into the spirit by converting their computers and sticking euro symbols in windows.

The Belgian approach could not be more different to that of countries with a strong bond to their national currencies. Home to the EU's institutions and itself divided into two linguistic regions, Belgium has long been used to the idea of shifting powers away from the national government to European institutions – not one political party campaigned in favour of maintaining the Belgian franc.

ITALY

A moment of nostalgia

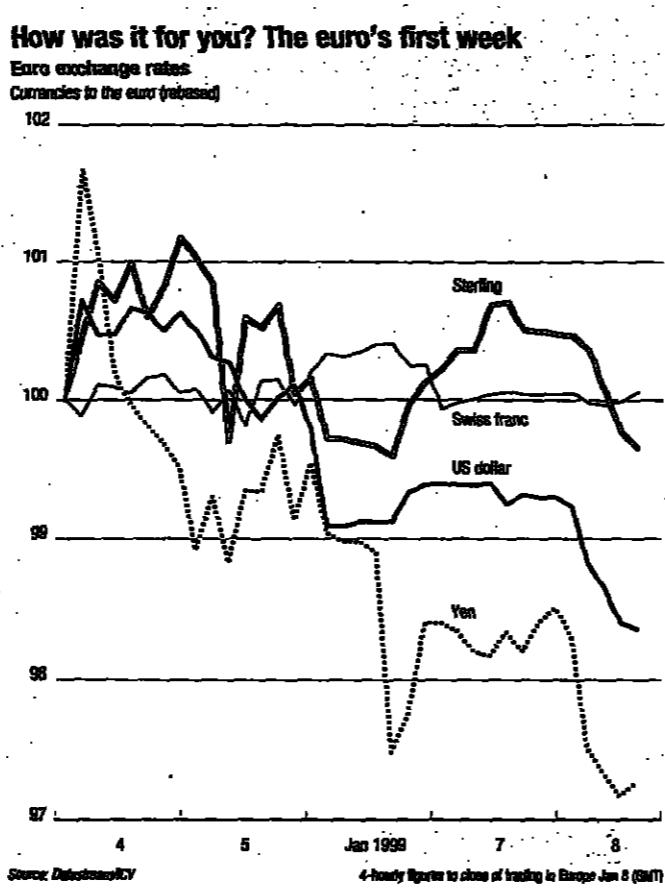
It was a week of mixed emotion for Italians. The arrival of the euro has been greeted enthusiastically in newspaper headlines as a "new chapter in history", a "revolution for Italy". Yet, strangely, there was a moment of nostalgia for the departing lira, the most crisis-ridden currency in post-war Europe.

"Our glorious lira" was how the treasury minister Carlo Azeglio Ciampi somewhat improbably hailed a currency which he has done as much as anybody to lay to rest.

Amid the acres of newsprint devoted to the new currency, there was much grand talk about what the euro meant for Italy. "It is the end of the Italian anomaly in which the Italian capitalist system goes on being heavily subsidised," said Massimo D'Alema, the prime minister.

But the attention of most Italians will have been drawn to the tables in every newspaper that compared the prices of consumer goods in euros across 11 countries. "In Italy you're best buying Levi jeans and Swatch watches," said Corriere della Sera, "but don't make phone calls". Italians learned this week that they are spending four times more euros making a three-minute city call than the French and Germans.

By Samer Iskandar, Paris; George Parker, London; Ralph Atkins, Bonn; David White, Madrid; Emma Tucker, Brussels; James Blitz, Rome.



Bill Gross, Emu poised director, Citibank

Bloomberg

INTERNATIONAL

WEEK OF UPROAR SANTER DENOUNCES ACCUSATIONS OF IMPROPER LINKS BETWEEN HIS FAMILY AND EUROPEAN FINANCES

EU chiefs fight off corruption charges

By Neil Buckley in Brussels

European commissioners yesterday went on the offensive against mounting allegations of corruption, as frantic manoeuvring continued in the European Parliament ahead of a vote next week which could lead to them all being sacked.

At the end of a week of uproar, Jacques Santer, the Commission president, vigorously denounced suggestions in the Belgian media of improper links between his family and EU finances as "absolute fantasy".

He told the French newspaper *Le Républicain Lorrain* that a "plot" was being

mounted against him. At the same time, one of the commissioners particularly targeted by the parliament, Edith Cresson, said she was "sickened" by what she called a " vindictive personal attack" against her.

Mrs Cresson, former French prime minister and now education commissioner, told Reuters she believed she was the victim of a political campaign. "We're coming up to [European Parliament] elections and I think there is a desire for human sacrifices," she said.

Mrs Cresson told other journalists she formally denied any connection

between herself and alleged mismanagement in the running of the Leonardo programme of youth training, for which she is the commissioner responsible. She insisted that no fraud had been found in the programme, which was about to be cleared by UCLAF, the EU's fraud investigation unit.

The French commissioner, facing demands from two parliamentary groups for her resignation, said she was frustrated she had not been given the opportunity to defend herself against a series of allegations against her parliament and European

media since last summer. The Commission, meanwhile, clarified one of the more apparently bizarre rumours circulating in Brussels this week, that it was in possession of rifles.

A spokeswoman said one rifle had been brought for the Commission's security services in 1981 and two sub-machine guns in 1982. Two carbines were bought in 1982. All were officially licensed, she said, and none had ever been used. The spokeswoman said the first guns had been acquired at a time when Belgium was subject to occasional terrorist attacks.

The rumour about rifles is understood to have surfaced from papers on alleged fraud and mismanagement passed to the Court of Auditors, the EU's spending watchdog, by Paul van Buitenen, an assistant internal auditor at the Commission.

News of Mr van Buitenen's suspension by the Commission in December for leaking confidential documents inflamed tempers this week at the parliament, which is preparing to vote on a censure motion against the 20-strong Commission next Thursday.

The motion was tabled last month after parliament voted against signing off the EU's 1996 accounts amid con-

cerns over mismanagement in EU programmes.

The Socialist group, parliament's biggest, continued to suggest yesterday it might reverse its original position and support the censure motion if there was a clear "head of steam" behind attempts by other groups to sack individual commissioners. But the socialists are thought to be split, with suggestions some French and German members might abstain.

The centre-right European People's party, the second biggest group, plans to table an oral question demanding reforms from the Commission next Thursday.

The motion was tabled last month after parliament voted against signing off the EU's 1996 accounts amid con-

German jobs figures take shine off euro

By Ralph Atkins in Bonn

to introduce "opt-out" clauses in regional or industry sector wage agreements, allowing individual businesses to agree their own terms with staff. "We must move away from the consensus society, but you can't do that in one step. That would be politically impossible. We have to make the change in partial steps," says Prof Neumann.

German public opinion has warmed to the euro. But the sceptics also see little reason to repent. Wilhelm Hankel, the economics professor who last year tried to stop the constitutional court to stop the euro's launch, says he remains worried about the currency's stability.

Joachim Starbatty, a fellow petitioner, says: "The euro's start was well prepared and went successfully - but the risks remain."

Prof Neumann says it is impossible, after just a week, to measure the euro's success. "In three or four years we will see if it has brought more or less unemployment." His fear is that Gerhard Schröder, the new chancellor who has put combating unemployment as his highest priority, will have to fight the next election in 2002 with a higher level of joblessness.

Mr Schröder, he points out, was also sceptical about the timing of the euro's launch. They share, too, a pragmatic approach now the currency is a fact of life.

"Now we must look forward and see what we can do. German economists must press to see that Germany is competitive, that the labour market is finally deregulated," says Prof Neumann. "For me, the introduction of the euro is not an emotional occasion. I don't feel good or bad about it. It is a question of economic rationality."

Boeing orders rise 15.5% in 1998

By Michael Shipler, Aerospace Correspondent, London



Boeing of the US said yesterday that aircraft orders had risen 15.5 per cent last year, in spite of the Asian financial crisis and loss of important customers such as British Airways.

Boeing said it took firm orders for 636 aircraft, compared with 568 in 1997. However, the value of 1998 orders fell to \$42.1bn from \$42.5bn in 1997 because airlines ordered more narrow-bodied jets, which are cheaper.

After taking cancellations into account, Boeing took orders for 606 aircraft last year, compared with net orders of 502 in 1997.

Boeing said it delivered 563 aircraft in 1998, a 50 per cent increase over 1997. It had set a goal of delivering 550 aircraft last year but the target appeared in doubt because of production problems. The difficulties led to Boeing suspending some of its production for a month in 1997 and resulted in the dismissal of the head of its commercial aircraft operation last year.

Boeing said it expected to deliver 620 aircraft this year. The expected increase comes in spite of the Asian crisis, which led the company to announce last year that it would cut its workforce by about 20 per cent.

Airbus Industrie, Boeing's European rival, is to announce its 1998 order tally on Monday. The annual announcements are usually accompanied by acrimony, as the two challenge each other's figures.

Airbus has in the past alleged that Boeing's figures included orders which had not been finalised. Boeing said yesterday, however, that its 1998 figures included only orders for which it had received deposits.

The European consortium - owned by Aerospatiale of France, DaimlerChrysler Aerospace of Germany, British Aerospace and CASA of Spain - won more orders than Boeing in 1997 and had high hopes of taking nearly half the world market this year.

Airbus won orders from traditional Boeing customers including a consortium of Latin American airlines and British Airways, which ordered up to 188 narrow-bodied aircraft from the European consortium. It was the first time BA had bought aircraft from Airbus.

NEWS DIGEST

MIDDLE EAST PEACE PROCESS

Israel presses US for Wye pact aid despite standoff

Israel is continuing to press Washington for \$1.2bn in aid to help carry out the Wye River accords with the Palestinians signed in October, even though Benjamin Netanyahu, the prime minister, has frozen implementation of the agreements. Senior Israeli treasury officials are travelling to Washington tomorrow to continue talks launched in November by Ya'akov Neeman, the former finance minister. The US has agreed in principle to the package.

According to a US official, the administration agreed to continue the talks since negotiations on the terms of the aid will be lengthy. "We believe that eventually Israel will fully implement the Wye accord," he said. However, the US expects Israel to continue transferring land to the Palestinians before receiving funds. Avi Machlis, Jerusalem

GREEK PRICES

Inflation falls to 3.9%

Greece's headline inflation rate last month dipped to 3.9 per cent from 4.2 per cent in November, amid optimism from Yannos Papantoniou, the economy minister, that consumer prices will approach those of the euro-zone by the end of this year. Lower international oil prices and cuts last autumn in taxes on fuel and cars helped push down the rate. The average inflation rate last year fell from 5.5 per cent to 4.8 per cent, the lowest in almost 30 years. Mr Papantoniou forecast that inflation would fall to 1.9 per cent next December, enabling Greece to qualify for membership of the euro in 2001.

The government outperformed its inflation target by an unexpectedly wide margin, analysts said. The year-end inflation rate was projected at 4.3 per cent in March. To secure a place in the euro-zone, Greece must reduce average inflation to within 1.5 percentage points of the average of the EU's three-best inflation rate performers.

Karin Hope, Athens

FRENCH INTERNET COSTS

Law on pricing threatened

Laurent Fabius, speaker of the French national assembly, yesterday threatened to impose legislation to cut the cost of internet connection if the government, regulators and telecommunications operators failed to agree on a formula to lower costs to the user. The move follows last month's call by Dominique Strauss-Kahn, the finance minister, for a review of telecommunications pricing for internet users.

The government is hoping to find a "friendly" compromise with operators, to avoid legislation. Last month, ADIM - an association of "angry computer enthusiasts" - called for a 24-hour boycott of the internet in protest at the high prices charged by France Telecom, the party privatised telecoms operator. ADIM said internet use in France, at FF8.72-FF16.70 (\$1.55-\$2.97) an hour, was three times more expensive than in Italy. Samer Iskander, Paris

OLYMPIC SCANDAL

Salt Lake City heads to roll

The president and vice-president of the Salt Lake Olympic Organising Committee are expected to step aside in the wake of a bribery scandal. The officials were involved in Salt Lake's successful bid to host the 2002 Winter Olympics. That effort has become the target of four investigations of hundreds of thousands of dollars that went to scholarships and gifts for International Olympic Committee members and their relatives. AP, Salt Lake City

Steel dispute worsens over Japanese exports

By Our International Staff

Global steel trading tensions escalated yesterday as Japan denied US claims that it had voluntarily agreed to reduce exports and European Union producers threatened to fresh anti-dumping suits against Asian and East European producers.

"There is absolutely no truth in the [claim] that we have made a commitment to reduce steel exports to the US," the Japanese trade ministry's steel division said. "Steel exports have been falling, and we expect them to continue that trend, but that is merely a forecast and it is uncertain what will actually happen."

The Japanese protest followed a White House report to Congress which proposed \$30m in tax breaks for the US steel industry, which is facing a surge of imports because of the collapse of demand in Asia.

"It is our expectation that Japan's exports will return to pre-crisis levels in 1999," it said. "The administration stands ready to take appropriate

actions under our trade laws to ensure that imports from Japan return to pre-crisis levels, including, if necessary, self-initiated actions under our Section 201 and antidumping law."

Japanese trade ministry officials said Washington had been told that Japanese exports were on a declining trend which the industry expects to persist throughout 1999 because of an easing in US demand and the strengthening of the yen.

Concerns over possible anti-dumping duties on Japanese imports, which the US blames for almost half the rise in imports, have also led to a decline in orders.

Under the steel plan, the Clinton administration will monitor steel imports from Japan on a monthly basis. Officials said the fact that the report targeted Japan, as opposed to other steel exporters, was a reflection of US impatience with Japan's slowness to take steps to pull itself out of recession.

The European Commission said it would look carefully

at the US plan. A spokesman for Sir Leon Brittan, the trade commissioner, said the EU was doing "more than its fair share" to absorb steel imports in the wake of the Asian crisis. The EU estimates that imports rose by 50 per cent in 1998.

Europe, European producers' association said it would not seek anti-subsidy action by the World Trade Organisation for the time being to avoid aggravating steel trade tensions between the US and Europe. However, Eurofer said the subsidy was "questionable" under WTO rules.

It said the possibility of a formal complaint would be kept under review.

EU producers welcomed a Commission decision to start formal investigations into a complaint that hot rolled coil - used to make industrial products - is being dumped by Bulgaria, India, Iran, South Africa, Taiwan and Yugoslavia.

Reporting by Kevin Brown in London, Michiyo Nakamoto in Tokyo, Neil Buckley in Brussels and Deborah McGregor in Washington

as deputy prime minister Mr Abdullah was also given the home office portfolio, which includes responsibility for internal security and the police. He will also continue to be foreign minister. The other change was the appointment of Daim Zainuddin, who already has responsibility for the economy, as finance minister.

Though the appointments appear to dilute Dr Mahathir's power, they will do little in practice to loosen his grip. Mr Abdullah is known for his loyalty to Dr Mahathir and Mr Daim, in particular, is a trusted lieutenant.

Mr Abdullah, 59, known affectionately to many in and outside Umno as "Mr Nice Guy," was first appointed to the cabinet as defence minister in 1984. Though sometimes men-

Canada winning struggle to cut unemployment

By Scott Morrison in Toronto

The Canadian economy generated almost 450,000 new jobs in 1998, representing an annual job growth rate of 3.2 per cent. The news yesterday came as welcome relief to political leaders, who have struggled with the high unemployment rate edged down 1.4 percentage points to end the year at 14.4 per cent.

The figures put Canada atop among Group of Seven countries for job creation and second only to Ireland among nations belonging to the Organisation of Economic Co-operation and Development.

Canada added 24,000 new jobs in the final month of 1998, but the December jobless rate remained unchanged from November at 8 per cent, as the labour force participation rate edged up slightly.

The economy has generated 320,000 new jobs in the past two years, with 1998 representing the best job growth performance this decade. The national 8 per cent unemployment rate is the lowest it has been in the 1990s.

Most encouraging was a sharp jump in youth employment in 1998, with 145,000 new jobs, the largest gain in 20 years. The youth unemployment rate edged down 1.4 percentage points to end the year at 14.4 per cent.

Overall, private sector job creation accounted for almost 300,000 new jobs in 1998, while the public sector added 35,000 new positions. Almost 120,000 Canadians joined the ranks of the self-employed last year.

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Karin Hope, Athens

GUBERNATORIAL AND STATE ASSEMBLY ELECTIONS CLAMOUR GROWS ACROSS COUNTRY FOR A RETURN TO TRUE FEDERALISM

Devolution offers fresh hope in Nigeria

By William Wallis in Lagos

Nigeria takes the penultimate step on its road to democracy today when the country's three political parties contest elections for state governors and assemblies.

The stakes are high. If all goes well, for the first time in years successful candidates can hope to preside over federalised and democratically governed states and address the issues behind bitter regional divisions. But if the exercise is marred by the fraud and vote-buying that has characterised past polls, the structure at the heart of Nigeria's political system could be fatally flawed.

The number of states in

Nigeria, 36 in total, has steadily increased along with their dependence on the centralised military regimes which have ruled Africa's most populous nation for all but 10 of its 38 years of independence. Regional governors became key players in a patronage system run by soldiers.

The promise of elected rule brings with it not only a powerful position within that remains of that system but a new constitution offering control by states of at least 13 per cent of their revenues, in addition to funds allocated by government.

Given the growing clamour in Nigeria for a return to true federalism, the civilian government due to be in place by May 29 is likely to

come under enormous pressure to award further concessions toward devolution.

Nowhere is this issue more keenly felt than in the southern state of Bayelsa, which produces close to a third of Nigeria's 2m b/d of oil but remains one of its least developed regions.

Elections there have been postponed while troops try to curtail a violent campaign by local activists from the Igbo ethnic group demanding a fairer share of the proceeds from local oil wells.

Last month's local government polls were won in a landslide victory by the People's Democratic Party - a broad coalition advocating greater deregulation of the economy and including prominent political figures

from across the country. Their ability to capitalise on initial successes will be challenged today by an electoral pact signed recently by the two other parties qualified to run.

The Alliance for Democracy draws its support from the Yoruba ethnic group in the restive south-west of the country. It favours radical restructuring of the federation and a power shift from the traditionally dominant north to the south. The All People's party is a broader national coalition of political personalities.

On paper, at least, they are unlikely partners. The AD includes some of the fiercest opponents of the late dictator Sani Abacha, who died in office last June. The APP on

the other hand harbours prominent politicians who supported Gen Abacha's dedicated plans to succeed himself in elections.

In the face of the emerging dominance of the PDP, the two have agreed to collaborate in several states today and put forward a single presidential candidate in February.

Both parties claim the PDP is being supported from the shadows by powerful members of the military with an interest in preserving the status quo.

INTERNATIONAL

OPERATION DESERT FOX PENTAGON SAYS SADDAM 'SHAKEN' BY THE AIR STRIKES, BUT THE VIEWPOINT FROM BAGHDAD IS VERY DIFFERENT

US general claims up to 1,600 Iraqi troops killedBy Stephen Fidler
in Washington

US military leaders said yesterday there were signs that Saddam Hussein, the Iraqi leader, had been "shaken" by last month's US and British raids.

They also stepped up their initial estimates of the damage done in the 70-hour attack and said Mr Saddam

had lost some "key" officials in the attacks.

Henry Shelton, the army general who chairs the US chiefs of staff, said that between 500 and 1,600 members of the Iraqi Republican Guard, the main military pillar of the Iraqi leader's support, were killed in the attacks.

Gen Anthony Zinni, who headed the four-day Opera-

tion Desert Fox air and missile assault last month, said the numbers of the Republican Guard killed could be as high as 2,000.

Gen Shelton said the estimates were based on unconfirmed reporting from a variety of sources. However, he also said intelligence reports indicated "several key individuals that were in the upper structure" had been

killed and were no longer available to advise Mr Saddam or to lead.

Gen Zinni also said that the Pentagon now believed the raid had set back the Iraqi leader's missile capability by two years, instead of one year.

He said that in the aftermath of the attacks "we've seen a number of unusual

things internally that I think clearly demonstrates that he was shaken and the regime was shaken".

He also said these indications included executions of military commanders in the south of the country. "We have seen executions in the south. One division particularly lost its commander and several others," he said. Such executions could still

country into four zones and put four ruthless individuals in charge of the zones.

"I think there is some confusion in the ranks, and there is some disgruntlement with how this is done and who they answer to," said Gen Zinni.

He said there had been more than 40 violations of the "no fly" zones since December 23.

In Baghdad, Saddam's grip on power appears as strong as ever

Careful preparation allowed the Iraqi leader to make the most of a modest hand in the wake of the US air strikes.
Roula Khalaf reports from Baghdad

When Saddam Hussein's top military advisers paraded before Baghdad's monument of the unknown soldier on Army Day this week, they sent a message that the army remained united and in control.

It seemed of little concern that the generals were standing in the shadow of Iraq's military industrialisation commission, a building badly damaged two weeks earlier by US cruise missiles.

The picture captured the two contradictory results of the Anglo-American strikes. Operation Desert Fox was a technical success, as evidenced by the devastation of specific military buildings scattered around Baghdad and the virtual absence of any collateral damage. But equally evident is what little

effect the operation has had on Mr Saddam's power at home and how much it risked making him even more dangerous to his own people and to the Middle East as a whole.

With the United Nations Security Council paralysed and policy towards Iraq at an impasse, Mr Saddam is now escalating the crisis, sending missiles and warplanes to clash with US and British jets over the northern and southern no-fly zones and calling on Arabs to overthrow regimes allied with the US. Expectations in Baghdad are that his increased vigilance could lead to heavier internal repression.

The costs of Operation Desert Fox to Mr Saddam were largely psychological. The heavy pounding of his

home town in Tikrit was a personal humiliation. That his prized military infrastructure was blown to pieces further undermined his prestige.

But Mr Saddam counters psychological pressure with extraordinary practicality. He carefully managed internal stability during the crisis and is now better preparing for any further US and British offensives. Mr Saddam began planning for the December attack two months earlier, when at the end of last October it became clear that Iraq's relationship with UN weapons inspectors was doomed.

By the time the US and Britain struck, he had divided the country into four regions, assigning command for each to a close aide. The sensitive south, home to Moslem Shias long repressed by Baghdad, was entrusted to Ali Hassan Majid, a close adviser and member of Mr Saddam's Tikrit clan. The new appointments ensured

control of the regions in case communications with Baghdad were cut.

Armed civilian groups drawn from trusted members of the ruling Baath party fanned out across the country during the strikes, guarding practically every intersection in every large city. Because Iraq believes the US attempted to break the south from the rest of the country during the strikes, the civilian militias have now been kept on alert in the main southern city of Basra.

Military casualties were no doubt much higher than the 68 deaths reported by the Iraqi authorities. But even the most vociferous critics of the regime admit that the Republican Guard, Iraq's elite units and a main target of the air strikes, has been dispersed long before the first missile hit. So, it is believed by many, was a good part of the military hardware.

Looking inside the Iraqi

regime is a favourite guessing game in Baghdad. But occasional vague military communiques make clear that Mr Saddam has been regrouping in the past two weeks and setting out a strategy to survive further strikes. "He's the manager of a third division soccer team playing against first division, and we are at half-time," said one diplomat.

That the population feels increased pressure is already apparent. Ordinary Iraqis are today less willing to risk even mild criticism of the government, instead expressing concern that a post-Saddam era could be worse than the present.

But if Mr Saddam has been able to maintain control, and perhaps even strengthen his internal grip on power, why is he so quickly rushing to create trouble again?

His problem is that he is struggling to capitalise on Desert Fox and lacks a clear political strategy that extracts political benefits

out of the ruins of the US and British offensive.

This is a great source of frustration.

He has rid his regime of Unscow, the UN weapons inspectors' special committee. He has also divided the UN Security Council and gained sympathy from ordinary Arabs across the Middle East.

But what can he do with these political cards? Russia, China and France are calling for a lifting of the eight-year-old oil embargo and for a new inspection mechanism that focuses on ensuring that Baghdad does not develop weapons of mass destruction rather than on continuing to hunt for the remaining capabilities. But these proposals clash head-on against a pillar of US strategy towards Iraq - to maintain sanctions until Mr Saddam is removed from power.

His speech this week in which he called for a revolution against other Arab rulers

Kazakh leader certain to win one-horse race
By Carlotta Gall in Almaty

Huge billboards stand over the main streets of Kazakhstan's business capital, Almaty. They show a smiling president walking through waist-high golden corn or crouching laughing with his three grandchildren, on the central Asian steppes.

There is little doubt in anyone's mind who is going to win tomorrow's presidential elections. Nursultan Nazarbayev, the 52-year-old leader of Kazakhstan since Soviet times, dominates the election campaign.

He promises stability and continuity, saying a young country should not change horses mid-stream. He has warned the population of 16m that they face harsh economic difficulties over the next two years. The worsening economy is widely thought to be the reason behind his decision to call elections 18 months before they were due.

The move caught opponents of guard, giving them little time to organise. Nevertheless the president has left nothing to chance. Showing an unexpected heavy-handedness, Mr Nazarbayev, seen in the west as a reformer and a moderate, has presided over a campaign marred by violence and intimidation.

"There has been a pattern of harassment and violence to ensure Nazarbayev's re-election," said a western diplomat. "This, in our mind, is not democratic."

The Organisation of Security and Co-operation in Europe has declined to send a full observer mission.

Mr Nazarbayev's main rival, the former prime minister Akeezhan Kazhegeldin, was disqualified on a technicality. The remaining candidates lie well behind the incumbent in opinion polls.

Gani Kasymov, the 48-year-old chief of the State Customs Committee and a former presidential adviser, is the closest opponent. A former general, he has grabbed the limelight with populist rhetoric against government corruption and the lack of accountability of officials.

He won nationwide notoriety for his combative interview style, hurling a vase of flowers at a television interviewer who asked about his alleged fondness for alcohol.

Yet Mr Kasymov is seen by many as there only to provide the appearance of a competitive race. Despite his vigorous speech, he has refrained from attacking the president directly.

The remaining two candidates are lacklustre and unlikely to win more than a small percentage of the vote between them. The leader of the Communist Party, Serikbolsyn Abdildin, 61, has, however, been the most outspoken in his criticism of the current regime and election violations.

"For certain there are going to be falsifications during the vote counting," he warned at a press conference yesterday in Almaty.

Mr Abdildin has called for political reforms as a priority and a reduction of the strong powers of the Kazakh president in favour of parliament and the judiciary.

Engels Gabbasov, an academic and currently a deputy of Kazakhstan's upper chamber of parliament, also 61, has made few ripples and has kept his campaign promises to such issues as closing Russian test sites in Kazakhstan.

The man in the street readily accepts that the election result is a foregone conclusion.

"We do not just think we know Nazarbayev will win, without any doubt," said Misha, a builder heading home from work.

CORRECTION

Because of a transmission error, the names of two individuals were misspelt in an article in yesterday's Financial Times on the US embargo of Cuba. The two names are Mark Falstaff of the American Enterprise Institute and Marc Thissen, a spokesman for Senator Jesse Helms.

Kenyan banks urged to end dubious lending

By Mark Turner in Nairobi

Micah Cheserem, governor of the central bank of Kenya, yesterday called for the country's banks to apply far more stringent conditions to loans, no matter how high-ranking the borrower.

Speaking after a meeting with the Kenyan banking community, he called for lenders to insist that any loan requests be accompanied by an adequate project appraisal, securities other than official rank, and that they should be followed up by regular visits to the project site.

"We have found a correlation between people of influence and bad debts," said Mr Cheserem. "The position of a borrower should not count as security."

Mr Cheserem's comments follow a year of turbulence in the Kenya banking sector. Five banks collapsed in the second half of 1990, and the government was forced to provide a Ks1bn (\$34m) bailout for the National Bank of Kenya after rumours of illiquidity provoked a run.

Late in November the central bank disclosed that a number of establishment figures, including Nicholas Biwott, the influential minister for east African co-operation and Raymond Kinuthia Moi, the president's son, owed billions of shillings to Kenyan banks which had failed in recent years.

The International Monetary Fund, which sent a team to examine the difficulties late last year, has placed improved bank supervision high on the list of Kenya's priorities ahead of talks on resuming the country's frozen \$220m Enhanced Structural Adjustment Facil-

ity (Esf), expected this year. An IMF team due to visit Kenya over the next few weeks is to assess the country's economy and lay down conditions for formal negotiations, according to officials. There are already indications that the IMF will be willing to resume the Esf, although talks are likely to take some time.

Early indications were that any new facility would be heavily back-loaded and tied to continuing reforms. But recent concerns over the country's balance of payments may lead to a more traditional-style package, according to IMF officials.

A resumption of international financial support would be an important boost to the country's economy, which grew by only 1.6 per cent last year - well below the increase in population.

But Kenya analysts are concerned that a premature resumption of the Esf would send a dangerous signal to the government, as corruption continues to pervade almost every facet of political and economic life.

"There is absolutely no excuse for the IMF to relent on its governance criteria, whether through straightforward balance of payments support or through an Esf," said Robert Shaw, from Kenya's Institute of Economic Affairs. "There is no slowdown in the level of corruption in Kenya."

The country's notorious Goldenberg scam, where billions of shillings were paid out to well-connected establishment figures, remains unresolved.



Young rioters tear down street signs in 1984 in disturbances that began a rift with the US and led eventually to the handover of the canal

School skirmish over Stars and Stripes that flagged US loss of Panama canalBy James Wilson
in Panama City

Today in the Peace Gardens cemetery, not far from the grave of Margot Fonteyn, Panama remembers one of its most celebrated out-breaks of anti-American sentiment - a dispute over a flag that has led, indirectly, to the handover of a canal.

In 1964, when Panamanian students tried to raise their country's flag next to the Stars and Stripes at a US-run high school in the canal zone, violence erupted. Clashes with US police and troops - the US then had jurisdiction over the zone - left 21 Panamanians dead and hundreds injured.

In the wake of the confrontation diplomatic ties were briefly severed between the two countries. According to Guillermo Rolda Pimentel, who as a young activist was

involved in the clashes, dozens of groups in Panama - "everyone from nuns to communists" - met and formulated their demands of the US: a Panamanian canal, no US bases and a withdrawal within 15 years.

It has taken longer. But this year's 35th anniversary will be special: the last before the US hands over control of the canal and pulls out its troops, the result of the 1977 treaties between the two countries that had their roots in the confrontations of 1964.

"January 1984 was when the demands became formalised," recalls Mr Rolda Pimentel, who subsequently became a health minister.

"People went looking for petrol, for guns. Women searched for mirrors to show up the US snipers in the street fighting."

Today's events are sure to

include other, less dramatic protests. While President Ernesto Pérez Balladares yesterday decorated seven veterans of 1964, tensions between the US and Panama have diminished greatly with the approach of the transition.

"You cannot erase history, but relations now are excellent," says the US embassy. Polls of recent years have even shown majority support for retaining some kind of presence, given the economic boost the US spending provides. Estate agents fret about how to let the dozens of homes soon to be vacated by service men.

Remaining friction is concentrated above all on the clean-up of unexploded weaponry from areas of the canal zone that the US used as firing ranges. With the onset of the dry season, US troops are soon to restart

work on scouring parts of the ranges for leftover bombs and shells. But there is disagreement between the US and Panama about the possible extent of the search into many dense jungle areas.

The US has long since given up jurisdiction over the canal zone itself, and its military presence has now dwindled to a rump of bases and a few thousand troops as the countdown continues to the scheduled total with December 31. Panamanians continue to move into the canal areas, while other US installations have been razed to build the hotels and shopping centres that Panama hopes will assuage the loss of military revenues.

Closing, too, will be many of the clubs and institutions that have catered for soldiers and canal workers and

their families, ending a way of life in the neat little communities built within the canal zone. In May the last class will graduate from Balboa High School, where the flag-raising protest areas.

Ruth Russell, the superintendent of Balboa High and the other remaining US schools in Panama, says that in the shifting school population - where 20 per cent of students are now in any case Panamanian - the events of 1964 have not remained in the memory. Students are warned to keep away from any demonstrations today. But, says Mrs Russell, tensions are nowhere near what they were.

"The dream of having the canal has helped Panamanians to feel whatever they did not was in vain," she says. "They see the light at the end of the tunnel."

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The man in the street readily accepts that the election result is a foregone conclusion.

"We do not just think we know Nazarbayev will win, without any doubt," said Misha, a builder heading home from work.

Japanese public taken for a very expensive ride

Attempts to stimulate the economy through so-called third sector projects - ventures such as theme parks funded by local government and private money - have been a disaster, writes Michiyo Nakamoto

From time to time the Portia caretakers at Kure Portia in Hiroshima run the empty ferris wheel, roller coaster and other rides that were the pride of the city but now stand idle on most days in the deserted theme park.

Kure Portia has remained empty since it closed last year with liabilities of Y11.4bn (\$93m), but the rides are given an occasional run to keep them from rusting. The park is one of a record

losses over the years. The growing number of collapses of third sector projects highlights the failure of public policy in Japan to revitalise the country's depressed regional economies.

Third sector businesses were set up in the 1980s and early 1990s as a way to spur economic activity, particularly in depressed, remote communities such as mining towns on the northern island of Hokkaido. There are 349 profit-seeking third sector corporations in Hokkaido, one of Japan's most inaccessible and underdeveloped regions.

Spurred by legislation that offered tax breaks and subsidies, they were also able to borrow extensively from banks since "people believed

that third sector projects which had the backing of local governments would never fail," notes Hirotake Araya, deputy head of information at Tokyo Shoko Research, a private research organisation. Mr Araya has researched the problems of third sector projects extensively.

He maintains these public sector projects have failed in large part because they are run by people who have no real business experience. In many cases the projects have provided a second career for retired local government officials, or jobs for the friends of local politicians.

Many of the troubled third sector theme parks, for example, were either too remote to attract a large

enough attendance or too obscure. The Canadian World in Hok

Kazakh
leader
certain
to win
one-hour
face

BRITAIN

CITY OF LONDON CHANGES TO PLAN FAIL TO END WORRIES ABOUT BREACH OF EUROPEAN RIGHTS CONVENTION

Fears persist on regulation reformBy Jane Martinson,
Investment Correspondent

A warning that modified government plans for UK financial regulation will still breach the European Convention on Human Rights will be issued today by the former head of the UK's Serious Fraud Office.

George Staple, a partner at Clifford Chance, the London law firm, has identified proposed civil sanctions and the definition of market abuse as causing particular concern, and will express his views in a speech today.

POLITICS

Blair urges S Africa ministers to embrace Third Way

By Robert Peston, Political Editor, in Cape Town

The Third Way approach to government provided the only coherent response to the two biggest challenges facing South Africa and the UK, Tony Blair told a Cape Town meeting yesterday.

The UK prime minister was addressing South African ministers, MPs and business people in the city's parliament building on the final day of his three-day visit to South Africa. The challenges were "jobs and crime", he said.

The kernel of the speech was one of his most detailed expositions of the Third Way. He believed the attempt to create new political credo - with flexible labour markets, competitive taxation rates and investment in education and skills - is attracting support from other governments.

His officials are encouraged by the explicit endorsement of the Third Way by Thabo Mbeki, the South African deputy president who is expected to succeed Nelson Mandela in the spring.

"The Third Way seeks to combine economic dynamism with social justice," Mr Blair said. Mr Blair explicitly endorsed Mr Mbeki's candidacy in the forthcoming presidential election, a diplomatically

defined offence governed by the convention.

"It will be difficult to enforce because people will be able to say that the crime of which I am accused is not clearly defined and therefore I wasn't able to understand the nature of the offence," he said yesterday.

He recognises the traps of the existing system of regulation in his speech: "A balance must be struck whereby effective and efficient regulation is established... while avoiding the delay, complexity and increased costs which have

so bedevilled the criminal and civil justice systems when dealing with financial matters."

The draft code of conduct on market abuse covers a range of offences from insider trading to giving the market the wrong impression of the supply and demand for an investment. Mr Staple believes that the nature of some of these offences and severity of the fines could lead to problems over whether they really do constitute "civil" matters.

The government has already indicated that it

would revise the draft bill after extensive City of London criticism since it was published in July.

The Financial Services Authority, which is to oversee the bill, has also published its own proposals on enforcement to meet other human rights concerns.

Mr Staple welcomed this "very considerable progress", but stressed that his two central concerns still needed to be met. Changes could be made to the draft bill after its scrutiny by a parliamentary committee due to report by Easter.

Gas pipe operator faces \$6m penalties after probeBy Andrew Taylor,
Utilities Correspondent

Transco, monopoly operator of the UK's gas pipeline network, was yesterday reprimanded by the industry regulator for overcharging rival companies to link with its

It faces financial penalties if in future it abuses its dominant position in the gas connections market. Transco is owned by BG, the gas exploration and distribution arm of the formerly state-owned British Gas.

Ofgas, the regulator, said Transco had been inconsistent in quoting prices. It had also significantly undercharged some of its own customers for connections, giving "the appearance of anti-competitive behaviour". Ofgas said Transco also delayed giving quotations, disrupting rivals' business.

The regulator is to make an enforcement order requiring Transco to "introduce a compensation scheme for persons given late or wrong quotations". The penalties, which are not retrospective, could cost Transco up to £4m (£6.7m, £5.6m) annually, said the regulator. It added: "The present Gas Act does not allow us to impose fines for past activities. This will change next year when the new competition act comes into force."

Companies that had suffered would have to pursue their grievance with Transco individually, said the regulator.

Ofgas launched a series of "dawn raids" on Transco offices last summer, taking 7,000 documents, after rivals complained it was acting uncompetitively in trying to win new contracts from householders and commercial developers.

Exeter Gas Solutions, a gas connections company, said last night that it would be seeking damages. It was also suing the company for libel after it issued a memo, subsequently withdrawn, telling Transco staff not to deal with Exeter.

Transco yesterday acknowledged that its "procedures have not been sufficiently rigorous". It said it was "establishing a separate connections business to operate independently of the (gas) transportation business".

NEWS DIGEST

PUBLIC-PRIVATE FINANCE PROJECTS

\$800m contract to maintain defence ministry building

The defence ministry yesterday announced the preferred bidder for a contract - thought to be worth up to £250m (\$384m, £700m) - to redevelop and maintain its headquarters building in London. The winning consortium comprises Amey, the facilities management group; Hyder, the Welsh utility; and Kvaerner, the Anglo-Norwegian construction company. Imfintris, which invests in public-private finance projects, is the equity provider. The losing shortlisted candidate was the MoDem consortium led by the Bucknall Group.

The building, completed in the 1950s, "fails well short of normal office standards", said George Robertson, chief defence minister. Gloomy corridors are to be replaced by a open-plan design that will increase the building's capacity from 2,800 to 3,300 people and will enable the ministry to vacate three nearby buildings. The redevelopment will have to leave intact King Henry VII's 500-year-old wine cellar. Alexander Nicoll, London

BCCI COLLAPSE

Probe into auditor to resume

The long delayed inquiry into the role of auditors Price Waterhouse in the 1981 collapse of Bank of Credit and Commerce International with debts of \$13bn is expected to restart this year. PW, now part of PwC, obtained an injunction against the accounting profession's senior disciplinary body, which stopped its proceedings while litigation went ahead on behalf of creditors. Those actions were settled last year. The Joint Disciplinary Scheme is now likely to apply to the court to lift the injunction. PW has bitterly rejected claims that it failed to alert regulators to irregularities at BCCI. Jim Kelly, London

NORTHERN IRELAND

Bids invited for gas pipeline

Northern Ireland's depressed north-west region was given a boost yesterday as ministers invited applications for licences to build a gas pipeline to the area. A pipeline to the city of Londonderry is seen as vital in securing investment. John Murray Brown, Dublin

EDUCATION

Door opens to private sector

The government is to create a pool of contractors ready to take control of services run by local education authorities, David Blunkett, the chief education minister, said yesterday. It was the clearest sign that the government is preparing to transfer powers held by local government officials to business chiefs. The campaign, sought through a nationwide advertising campaign launched today, will be vetted by ministers so that they can be drafted in to take command of key functions of "failing" authorities. The contracts, which could lead to profit-making businesses in charge of school admissions as well as the government's flagship literacy and numeracy policies, could be "worth millions of pounds". But the move, which opens the door to an army of consultants and business executives to make "very substantial" sums of money from running state schools, was attacked by teachers' trade unions and municipal leaders. Simon Targett, London

SOCIAL TRENDS

Decline in marriage forecast

There will be more unmarried than married adults in much of the UK within a decade, for the first time in recorded history, according to government forecasts released yesterday. They predict the proportion of adults in England and Wales who are married will fall from the current 55 per cent to 48 per cent by 2011 and still further to 45 per cent by 2021. England and Wales account for more than 80 per cent of the UK population. The number of people co-habiting is expected to double to 3m by 2021 but that will not offset the decline in marriage, with the result that fewer people will live as couples in the first quarter of the next century. Simon Buckley, London



Tony Blair congratulates a British army training team at a medals ceremony in Cape Town. Outside, however, demonstrators from Moslem groups - carrying banners urging death to Tony Blair - were dispersed by police firing shotguns loaded with birdshot and tear gas.

Mr Blair was denounced for the UK's recent involvement in air strikes on Iraq and the protesters burned US, British and Israeli flags. AP

German talks mark comeback for 'Prince of Darkness'

Peter Mandelson, the powerful ally of Tony Blair who resigned from the government last month, yesterday embarked on what could turn out to be the fastest comeback of all time.

Mr Mandelson, dubbed the "Prince of Darkness" for his years of behind-the-scenes work for the Labour party, resigned as chief industry minister after it was disclosed that another minister had lent him more than \$500,000 towards buying his home in a

unusual move. Mr Mbeki was a "man of acute intelligence and political insight", the prime minister said.

But Mr Blair's spokesman was confident the premier would not be accused of breaching etiquette by back-

fashionable part of London.

Mr Mandelson amazed political observers by holding talks in London yesterday as Mr Blair's personal envoy with Bobo Hombach, a German chancery minister whose reputation as a fixer in German politics mirrors Mr Mandelson's in the UK.

The meeting came only hours after Britannia Building, a savings and loans institution, decided not to press for a fraud inquiry into Mr Mandelson's application

ing Mr Mbeki and the African National Congress. The prime minister said the hopes "of the world rest on South Africa's shoulders", as the de facto leader of a troubled and poverty-stricken continent. He also wanted

the UK to be "South Africa's advocate and friend in the European Union".

His Third Way mantra, that "rights must be matched by responsibilities", extended to international aid. The developing world

had a right to expect assistance from the developed world, he said, but also a responsibility to ensure "resources are used productively" and not on "white-elephant projects or the cancer of corruption".

Mr Blair also made clear he was prepared to spend the coming year fighting the left wing of his governing Labour party in order to push through controversial policies on education, welfare reform and crime.

The prime minister said the left would attack him for "not applying traditional solutions" but he was ready to create a new "constituency among the people".

Mr Blair believes that John Major, his Conservative predecessor, failed because of weak leadership. "Nobody ever said it would be easy to rebuild Britain," he said. "It takes resolve; determination."

that has suffered massive financial losses and falling market share. "Rover are going to have yet another credibility issue," said Ashley Fernyhough, head of UK automotive analysis at PriceWaterhouseCoopers.

"The model will be late, which will hold up your marketing and sales, all your dealers will be prepared... it's damaging for the whole image of the company."

The Rover 75 - the replacement for the compa-

ny's 600 and 800 Honda-based saloons - is believed to have suffered quality problems with the bodywork and engine parts.

As well as potentially losing customers who are not prepared to wait any longer, the delay and cuts will hit suppliers and dealers, said Mr Fernyhough.

"The 600 and 200 cars are not selling well, without the 75 these guys are going to be hurting just as much," it added.

BMW offshoot cuts production

By Juliette Jowit in Birmingham

The Rover offshoot of BMW has cut production volumes for this year by 10 per cent, halving output of a new model.

The company told suppliers that total output for the year had been reduced from 500,000 to 450,000 cars. Output for the new Rover 75, to be launched this summer, is to be slashed from 80,000 to just over 40,000.

The moves were attributed

to a general downturn in demand, coupled with quality problems delaying the launch of the 75.

Rover yesterday sought to play down the impact of the cut. "We give our suppliers a bracket in between which we will be requiring parts; it might be down towards the bottom end, but it's still within the parameters we gave them," it said.

Industry watchers said the announcement meant fur-

ther trouble for a company

that has suffered massive financial losses and falling market share.

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The Rover 75 - the replacement for the compa-

CONTRACTS & TENDERS

NEW GOVERNMENT POWERS TO INTERVENE IN LOCAL EDUCATION SERVICES

Management Consultancy and Advice

The Government has taken new powers in the School Standards and Framework Act to intervene in cases where a local education authority fails to adequately carry out its duties in relation to school education.

In the event of such intervention the Department for Education and Employment may wish to deploy private sector contractors. Contracts may be let for consultancy services preparatory to further intervention and for the subsequent provision of the education services themselves.

The Government will act where it is clear that a particular LSA cannot or will not perform adequately. If needs then it is in a position to act swiftly and effectively.

This advertisement invites contractors to express an interest in playing their part, as and when necessary, in improving local education services.

Education Services

The Government will draw up a list of selected contractors who can perform in a cost-effective way the council's role in supporting schools and providing services to pupils and parents. This might include, for example, preparing and implementing statutory plans such as the Education Development Plan, providing pupil welfare services, administering school admissions, and financial monitoring.

The Department for Education and Employment wants to develop a close relationship with those on the list. It is the intention that the majority of education services provided by external contractors as a result of Government intervention will be carried out by those on that list.

Next Steps

The Department is keen to hear from those interested in carrying out either or both of these types of work, including those interested in doing so for particular areas of the country or for certain functions.

For information packs containing further details of the two aspects of work involved, the contracting processes and timetables, please fax request to 01325 392485. In accordance with EU Procurement Regulations, an advertisement for the consultancy work will also appear in the Official Journal of the European Communities and Government Opportunities.

The deadline for receipt of expressions of interest is 15 February 1999.



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Saturday January 9 1999

Week one of new life for the euro

Everything is the same but different. In one sense, the launch of the euro on to the world's foreign exchange markets this week did not change very much. The 11 euro-zone currencies were, after all, closely synchronised already, and short-term interest rates in most of the countries had been converging for more than two years.

Wim Duisenberg, president of the European Central Bank, emphasised the continuity on Thursday when he announced that euro interest rates would stay at 3 per cent - the level fixed before the launch - for "the foreseeable future".

As if to confirm the impression that the launch of the euro was no big deal, foreign exchange markets switched their attention after its first day of trading to the yen, driving it up to almost 110 to the dollar at one point. This was some 32 per cent above its low point last August, and high enough to revive anxieties about Japanese recovery.

The rising yen also focuses attention on the sources of potential weakness for the dollar and the dangers that they pose for the world economy.

Yet the euro is far from being a ringside spectator in a tussle between the US and the Japanese currencies. Its emergence has changed the global financial landscape profoundly, even if this week's performance did not give much indication of its future role as a heavyweight alternative to the dollar.

There are several reasons why the euro could strengthen. In trade weighted terms the "synthetic" euro, calculated from the 11 member currencies, has gained 19 per cent from the beginning of last year. In comparison with the other two main currencies, a continuation of this strength looks rational.

The dollar is increasingly vulnerable to a ballooning trade deficit, or a sudden change from exuberance to pessimism in Wall Street - perhaps both.

Worrying aspects

The US current account deficit, expected to be about \$230bn (\$313bn) for 1998, is now heading back to the unsustainable levels that caused such alarm in the late 1980s. This year it will be about 3 per cent of gross domestic product, compared with 3.6 per cent at its previous record in 1987.

There are two worrying aspects to this trend. First, the external deficit is clearly linked to a soaring US stock market that reached new highs this week. These gains have persuaded Americans to

run down their savings while continuing to spend at a high level. But this will not go on indefinitely; asset prices cannot be expected to rise for much longer, and there is increasing unease that the market is overvalued.

Second, the trade deficit, exacerbated by the consumer boom, is now matched by a rising net debt to foreigners. This already represents 16 per cent of GDP. On present trends it would double by 2003.

External deficit

Just to complete the inventory of danger signals, US oil imports, now running at 10m barrels per day, make the country much more vulnerable than a decade ago to any world price increase. A return to \$20 per barrel oil, for example, would add \$30bn to the US's already overstretched external deficit.

It may be that the rest of the world (including the Japanese, who hold a fifth of US Treasury securities) will continue to finance this deficit. But a change of sentiment by lenders or equity holders or both could put strong pressure on the dollar.

Meanwhile any further appreciation of the yen would do the already faint embers of Japanese economic recovery. The authorities must now pump large quantities of liquidity into the economy. A weakening dollar might allow them to do this without a collapse of the yen, but in any case, they have it in their power to stop it rising.

A combination of dollar weakness and official action to cap the yen could give a strong boost to the euro, especially if the ECB was prepared to continue to show itself reluctant to cut interest rates.

Would this be a desirable outcome? Exports from the zone would come under pressure. But with weak demand in Asia and the US running a large deficit, there is little chance that Europe can export its way out of its unemployment problems. The health of the own economy, and to some extent that of the rest of the world, must depend on domestic growth.

However, upward pressure on the euro, if it materialises, would add to the deflationary forces in Europe, and might bring it close to the dangerous spiral of falling prices that afflicts Japan. The euro-zone is not as vulnerable to such deflation as Japan. But in conjunction with the uncertainties that beset the dollar and the US economy, the dangers are real enough. The ECB should do all it can to stimulate growth before it is too late.

"The Senate has only two means by which it reaches agreement on anything," a cynical historian once wrote, "unanimity or exhaustion."

As the impeachment trial of William Jefferson Clinton began this week, amid all the sonorous symbolism, the upper chamber of congress was busy trying to prove it could act unanimously, even though it looked as if some disagreements would be debated until exhaustion.

On Thursday, senators were sworn in as jurors and heard the charges of perjury and obstruction of justice by Mr Clinton in the Monica Lewinsky case. Yesterday they reached a tentative agreement on how to conduct the trial.

The senators decided to proceed cautiously, hearing the arguments of the prosecution and defence over the next two weeks. Only then will they decide whether or not to take direct evidence.

Democrats had been trying to short-circuit a full trial. Call no witnesses, expedite arguments, and have the whole business wrapped up in a week or so.

The Republican majority in the Senate is somewhat divided on the subject. The likelihood is that it will agree to hear some witnesses, opening the way for a potentially lengthy process. Few senators were willing to bet yesterday that they would conclude in less than a month. Some thought it could take much longer.

Why, when barely a single senator can be found who seriously believes the trial will result in the president's conviction and removal from office, is the country and the world to be subjected to a protracted process that risks distracting attention from pressing policy matters?

Way, when opinion polls suggest support for the Republican party is in freefall, is the Republican majority in the Senate allowing the process to roll on, out of control, for the foreseeable future?

The answers lie in a complex interplay of constitutional and political forces. While Republicans do not have the votes - 57 members of the Senate - to convict Mr Clinton, they do have enough votes - a simple majority - to control the trial proceedings. And a variety of factors is propelling them towards extending the process.

Procedure. To some extent, the trial now under way is like many in the American legal process: an unstoppable train. The "due process" of law, as sacred to Americans as the national flag, does not permit "quicke" justice. Oddly enough, this argument is used by all sides, even by those who have been pressing for a speedy resolution.

The 13 angry men charged with presenting the case, Republican members of the House of

Representatives judiciary committee, say they must be permitted to make their full legal case.

That means, as it would in any trial, bearing evidence from witnesses. Up to 15 witnesses could be called, including Ms Lewinsky, Vernon Jordan, the president's friend and adviser, Betty Currie, the president's personal secretary, and others.

The White House, backed by Democrats in the Senate, wants to block the calling of any witnesses to expedite the trial. But they have repeatedly warned that, if a single witness is called, they too will invoke due process and assert their right to a full-dress legal procedure. That would mean conducting depositions of potential witnesses to ascertain the content of their evidence, and calling on witnesses for the defence, to undermine the prosecution's case.

"If they want to play hard ball," one White House adviser said this week, "they'd better be ready. They'd better understand what they're letting themselves in for."

Captured between these two arguments, Senate Republicans are divided. A handful are not

eager to have witnesses. But with 55 seats in the Senate, Republicans would need to lose at least five defectors to stop witnesses - and that may prove difficult.

• The surprise factor. A number of Senate Republicans believe that whatever opinion polls say, they should proceed with a trial because it might produce an explosive surprise that would convict the president. However remote that possibility may seem, rumours continue to swirl around Capitol Hill about what exactly might be presented as evidence in the trial. There have been repeated tales of anonymous women ("Jane Doe Number 5", for example) who were prepared to testify to a pattern of sexual misconduct by the president in the Paula Jones sexual harassment suit that gave rise to the Lewinsky cover-up, but who then mysteriously dropped their claims.

The House managers believe that, exposed in the Senate chamber, these other witnesses could provide powerful evidence of a pattern of wrongdoing by the president.

Though the White House dismisses the claims and will not

even discuss them, there is nervousness among Mr Clinton's supporters about what exactly a protracted parade of witnesses might produce.

• Crime and Punishment. Many Republican senators (and even some Democrats) are concerned about how President Clinton might react to an expedited trial and an early vote to acquit him of the impeachment charges.

Such speedy justice would almost certainly be interpreted as a vindication of the president. But near-summary dismissal of the charges brought by the House might confirm, in the public mind, the White House claim that the "historic" decision to impeach was in fact a partisan attempt to lynch the president on trumped up charges.

Mr Clinton's immediate reaction to the impeachment vote last month - a ceremony in the Rose Garden at the White House, where his admirers condemned the House vote and called him "one of our great presidents" - is a spectacle senators do not wish to see repeated.

If, as seems possible, the Senate trial unfolds slowly over the next few weeks, perhaps dragging on into months, it may well be the Republicans pleading for a halt to the process, and the Democrats who find themselves musing sagely about due process.

even if he is eventually acquitted, Mr Clinton did something seriously wrong and was not the helpless victim of a political witch-hunt.

• Political calculations. Even as they consider these factors, Republicans privately worry about the damage a protracted trial could do to their party's political fortunes. Next year, 19 Republican senators face re-election, and a large number of them will be defending relatively small majorities. Unlike their House counterparts, senators are increasingly vulnerable to shifts in the public mood. House members sit for relatively small districts, often gerrymandered to ensure their continuous re-election, which enables them to dispense largesse to their constituents. Senators, by contrast, sit for whole states, and are thrown out more frequently than members of the House.

In addition, the party has to consider the presidential contest next year. If Mr Clinton continues to enjoy the public's sympathy over impeachment - and polls suggest his approval ratings are as high as ever - the principal beneficiary may well be Al Gore, the vice-president and likely Democrat candidate in 2000. And if Republican poll ratings now at their lowest levels since Watergate, continue to slide, even potentially popular Republican candidates like George W. Bush, governor of Texas, may see their hopes evaporate.

These political calculations have been evident all this week in the actions of Trent Lott, the Senate Majority leader. A fierce partisan critic of Mr Clinton, Mr Lott has been treading with rare statesmanlike caution as he tries to build support among his colleagues for agreement on a quick trial.

Democrats are all too aware of the power that drives this dynamic. The White House clearly wants to curtail the process. Not only are Mr Clinton's aides concerned about what a trial might bring, they also fear that a delay could squash any hopes they have of making solid legislative achievements during Mr Clinton's second term.

But Democrats in Congress have different priorities. While publicly they call for a quick trial and a "return to the nation's business", privately, more than a few are beginning to wonder what benefits might await them at the end of a prolonged process.

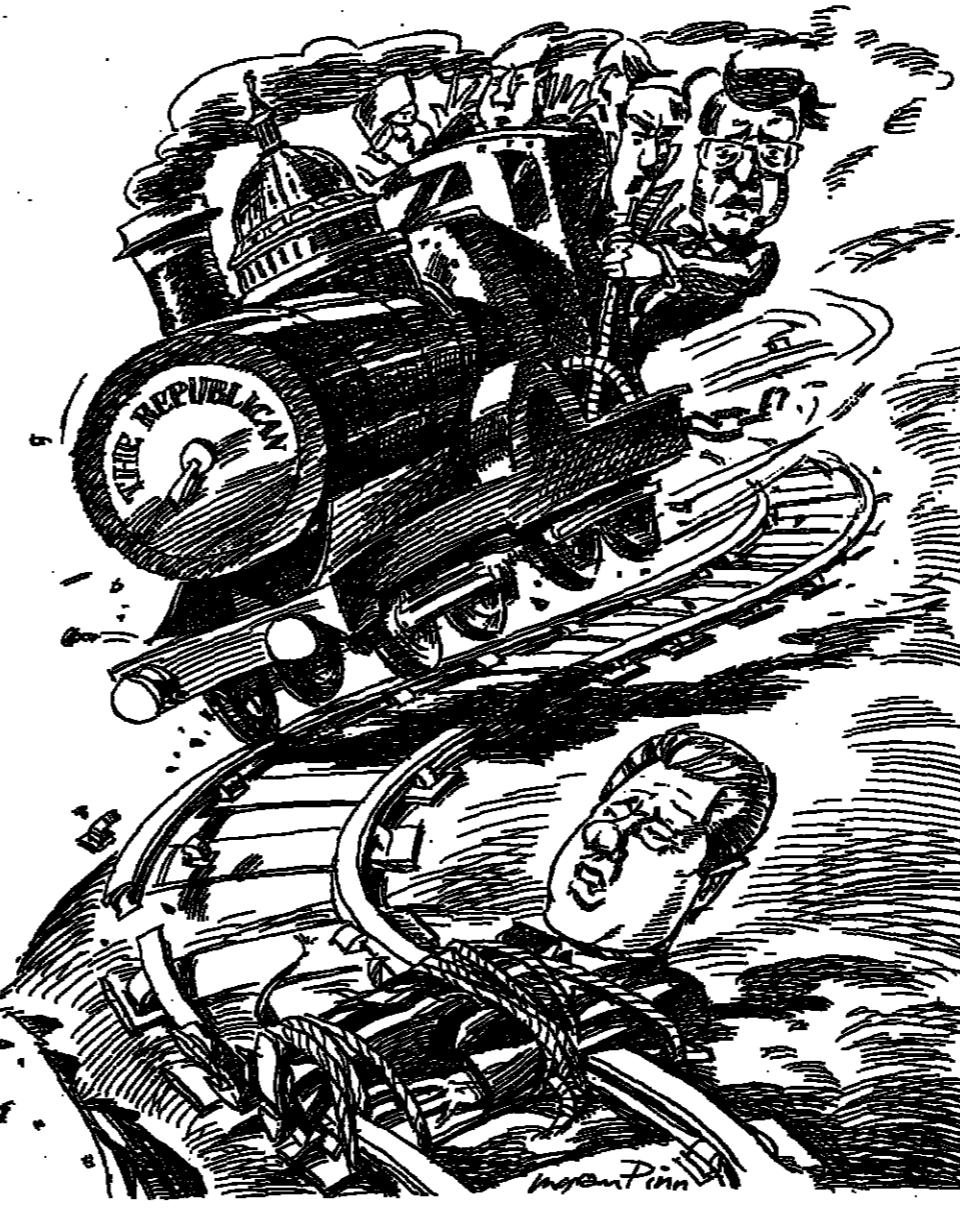
The timetable for next year's presidential primary elections has been shifted forward, meaning that campaigning will probably begin as soon as this summer.

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COMMENT & ANALYSIS

An unstoppable train

Gerard Baker explains what is driving an impeachment process that is unlikely to result in the conviction of William Jefferson Clinton



LETTERS TO THE EDITOR

Know your enemy in the debate over building society demutualisation

From Mr J. Killick.

Sir, I was surprised to see the headline and tone in your article regarding building societies converting to banks ("Building societies prepare to do battle with mutual enemy", January 4).

The "enemies" are not the societies and demutualisation proponents but the boards of directors of the societies and demutualisation proponents.

The directors do not want their societies to convert to banks.

Having nailed their colours to the mast of mutualisation, how could they, in all conscience, continue as directors of (the new) institutions whose structure they have consistently derided? For the directors, demutualisation means redundancy.

Demutualisation is inevitable.

How can institutions which were formed to meet the economic con-

ditions of mid-Victorian times be equally appropriate for the third millennium?

If the owners of the societies were given full and unbiased information on the benefits of conversion to banks, they would vote overwhelmingly for it. Instead they receive disinformation.

For example, the boards allow the members/owners to believe mutual rates will always be more favourable than bank rates. If this is true, why do customers of the Halifax, to name but one, not move en masse to the building societies?

For the societies to offer consistently better rates than their competitors, it would mean that the societies' rates would be determined after they knew the rates the competition were offering and not their own funding requirements.

Opera not a 'rich man's playground'

From Mr John Sacher.

Sir, It is sad that Andrew Clark ("Politics, passion, backstabbing and despair", December 30), who appears to write with such authority about the Royal Opera House and fairly describes the government and Arts Council emphasis on access rather than quality, clearly has read only part of the Eyre Report or has forgotten what he read.

If the members voted for conversion to banks, they would hardly be giving in to the "enemy". The enemy would be themselves, going by your article.

For the societies to offer consistently better rates than their competitors, it would mean that the societies' rates would be determined after they knew the rates the competition were offering and not their own funding requirements.

You rightly point out that the government reduced the interest from 5 per cent to 3.5 per cent in 1992. Since then, of course, inflation has eaten away most of the value of the loan I estimate my

father paid £300 at today's currency rate.

To read in your article, however, that the Debt Management Office says "it wouldn't be in the government's interest to redeem it at par unless it could get funding at 3.5 per cent for a very long time" fills me with dismay.

You rightly point out that the government reduced the interest from 5 per cent to 3.5 per cent in 1992. Since then, of course, inflation has eaten away most of the value of the loan I estimate my

father paid £300 at today's currency rate.

Patricia leaders to the government - in the form of Defence Bonds, which also do not have a redemption date - must be feeling equally sore.

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Patricia

COMMENT & ANALYSIS

Bubbles will burst

Even optimists say the threats to the global economy are many, writes John Plender

When Noah faced a flood, he had the happy notion of building an ark. Many commentators fear that world stock markets may also be due for a deluge. Yet investors have been notably reluctant at the start of 1999 to build boats for a tide that looks increasingly deterministic.

Even the more optimistic pundits concede that the list of threats to the global economy is unusually long and impressive. Japan, the world's second-largest economy, is in such dire straits that it will subtract from global growth this year, while sending financial shock waves across the exchanges. Brazil, the last line of defence in the emerging market crisis, is struggling.

Continental Europe, where the euro-zone countries are running a \$100bn (£59.5bn) current account surplus, cuts interest rates at a snail's pace and shares too little of the burden of the Asian crisis relative to the US. The risk of currency turmoil and trade friction looms large.

As for the US, which holds the key to global growth, the fortunes of the real economy are unhealthily dependent on the markets. The further equities rise, the more readily consumers borrow and spend, which boosts the economy. But as they run down their savings, the deficit on

the external account widens, raising questions about the willingness of the rest of the world to finance the resulting payments imbalance.

If the market falls sharply, Americans might lose confidence and rebuild their savings. This would knock the stuffing out of US demand and visit a huge shock on the global economy. If, by contrast, the market goes on rising and people continue to spend beyond their incomes, household and external indebtedness will become more obviously unsustainable. The market collapse would simply come a bit later.

Why then, with US equities already at peak levels, are investors in such sanguine mood?

The worst and most frequently articulated argument for equities is that monetary policy is benign. How can policy be benign when it helps expand a US bubble that could destabilise the world economy when it bursts? This is indeed short-term.

Moreover, to the extent that cuts in nominal interest rates are a response to deflationary pressure, they may do little to help

the real economy. It is the level of real rates, after allowing for the change in price level, that matters. Note, too, that falling nominal rates did little for the Japanese market in the 1990s.

The much better argument, advanced by Gavyn Davies of Goldman Sachs, is that policy-makers will respond sensitively to threats and that the world economy will muddle through. But this raises the question of what constitutes sound policy when US equities continue to rise.

Alan Greenspan, chairman of the US Federal Reserve, does not believe in making asset prices an explicit target of monetary policy, nor in prickling bubbles. In effect, his policy is to hope for a gentle market correction in response to weakening earnings.

Yet he does believe in preventing market collapses – witness his cuts in interest rates since September. The snag is that by decreasing the return on cash relative to equities and persuading investors that the Fed has put a safety net under the market, he has ensured an even bigger bubble. This, inevitably, is less susceptible to gentle deflation.

The US may thus be in the early stages of replicating the deflationary disaster in Asia, which is essentially a crisis of over-investment. For it is not just the US consumer who borrows and spends. Business investment in the US is growing at its fastest for 15 years, partly because of a decline in the cost of capital brought about by the stock market bubble.

As with Japan in the 1990s, this will distort investment in favour of inefficient projects. But portfolio investors have failed to observe that the low cost of capital means a low return on capital because the two numbers must equate. After the Asian miracle, it seems, we have a US miracle that will in due course leave an unhappy hangover.

Could there be a miraculous escape? Possibly, if recent interest rate cuts in the west give Asia the leeway to trade its way back to health. But events in the two largest Asian economies hardly point in that direction. The growth prospect in China appears to be deteriorating. And the capacity of Japanese policymakers to foul up is nonpareil.

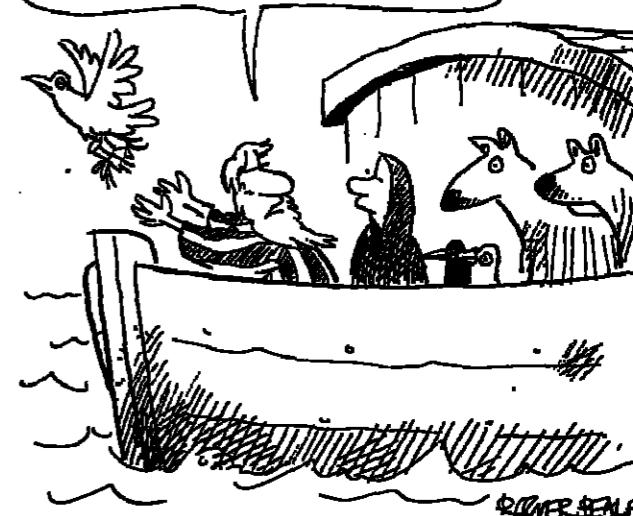
Successive Japanese fiscal packages are being offset not only by collapsing consumer spending but by a reduction in business investment from its earlier absurd levels. The only question in 1999 is how far economic shrinkage can be stopped.

Meantime the authorities appear hell-bent on catastrophe. Their bizarre wish for a strong yen means that Japan is fighting a slump by tightening monetary policy. This also inflicts losses on Japanese overseas investors and curbs the yen carry trade, whereby people borrow in yen to buy dollar assets.

These changes in the relationship between the yen and the dollar mean that the driving force behind the US currency has shifted from the capital account to the current account. Nothing could be better designed to make the US payments deficit harder to finance. At which point, enter the euro to provide new competition for the dollar.

In sum, US policy relies on luck; Japanese policy is a disaster; European policy combines the sluggish with the experimental. And the trouble with

I HOPE IT'S NOT TOO LATE – IT'S A 'SELL' INSTRUCTION TO MY BROKER



deflation is that it responds less predictably to policy than inflation. Incremental change is rarely enough to restore business and consumer confidence against a background of falling prices. Note, too, that great market collapses often accompany changes in global currency relationships. The crash of 1929 and subsequent slump coincided with the difficult transition from sterling to dollar hegemony.

Roger Bootle, the economist who warned of deflation earlier than most, is urging clients to read J.K. Galbraith's *The Great Crash*, improving literature for the times – though the precise timing of any crash is inherently unpredictable. The point is that bubbles, like negative savings ratios or disintegrating current accounts, cannot go on for ever.

Land and freedom

James Buxton looks at the emotive issue of land ownership in Scotland and proposals to reform feudal estates

A few years ago, in a bleak, wind-swept corner of north-west Scotland, a group of crofters began a silent revolution. When the Danish owner of part of Assynt in Sutherland went bankrupt, the crofters issued a public appeal for funds and, casting off their feudal yoke, acquired the 20,000-acre estate.

Then, in 1997, the people of the Hebridean island of Eigg announced their emancipation by buying out their German landlord, a mysterious artist who had promised many improvements but delivered nothing.

Now the inhabitants of the 17,000-acre Knoydart estate in the western Highlands are negotiating to buy it with the help of Sir Cameron Mackintosh, the impresario who owns a neighbouring property. The new owners believe community ownership will help them develop new sources of income and revive the local economy.

For a first world country, the concentration of land ownership in Scotland is shocking. About 600 individuals – usually aristocrats or reclusive foreigners, or fat cats from the City – own 50 per cent of the land.

But if the Labour government has its way, land reform will be one of the first acts of the new Scottish parliament, which will be elected in May.

Donald Dewar, the Scottish secretary, this week proposed that local communities should have the first right to buy big estates when they come up for sale. The price would be set by a government-appointed valuer rather than by the market. Money from the National Lottery would be available to help community purchases.

In extreme cases, the government would purchase or

expropriate properties that were badly managed or neglected.

Mr Dewar was broaching a highly emotional issue for many Scots.

The Highland clearances of the 19th century, during which hundreds of thousands of crofters were evicted from large estates, are engraved on popular memory. The resulting disintegration of Highland communities is blamed on landlords who abandoned farming in favour of deer-stalking, sheep farming or grouse shooting. Scots also dislike the fact that many owners are foreigners, or worse, Sassenachs (English) and spend only a few weeks a year on their properties.

The fact that estates

change hands privately at high prices, and that the people who live on them are hardly ever consulted, only adds to the unpopularity of the system.

Mr Dewar's proposals are clearly aimed at boosting Labour's chances in the run-up to May's elections in Scotland, where the pro-independence Scottish National party enjoys strong support. Landowners, meanwhile, are not unduly alarmed. Few of them believe residents and tenants will really want to take on the burden of owning and running Highland estates, most of which lose large sums of money.

But Michael Foxley, a Highland councillor involved with both Eigg and Knoydart, believes Mr Dewar's proposals will gradually change the face of the Highlands.

"Rich individuals will

think twice about buying large properties," he says.

"At the moment the sole criterion for being able to buy an estate is having money."

Now owners will have to live with the local community



MacKenzie: 'Communities cannot appeal ad infinitum to a sense of national conscience'

James Gray

and manage the estates property."

He thinks community purchase will become easier, partly because the government-appointed valuer will set prices according to what an estate will yield rather than its speculative or

ker, that estates require injections of cash from rich owners just to keep going.

A lot of what landowners describe as losses are simply what they are prepared to spend on their hobbies, like deer-stalking. Communities can run things more cheaply."

But this is vigorously rejected by John Lambert, the factor (agent) of the Dunvegan estate on the Isle of Skye. He says the government is wrong to encourage people who have little money to embark on owning unprofitable estates. "The rent from the 145 crofters on this estate totals £280 a year. This estate couldn't survive without the tourists who visit Dunvegan castle [the seat of the Macleod clan]. But most estates don't have that."

He believes the government will be sucked into subsidising the running of loss-making properties at the expense of more useful objectives. "If the private owner becomes disillusioned with investing money in the Highlands, what will the government do? It hasn't got

the skills or resources to replace him."

Perhaps surprisingly, John Mackenzie, the marine engineer who is a leader of the Assynt crofters, questions the sustainability of community ownership as a long-term policy. While he says Labour's proposals will remove many of the obstacles his group faced in their acquisition, he warns that even if estate prices are brought down, it will still be difficult to finance land purchases. "Communities cannot appeal ad infinitum to sympathy for the underdog and a sense of national conscience about what happened 200 years ago," he says.

Mr Mackenzie says it would be more helpful if the government introduced a code of behaviour for landowners that would oblige them to take into account the interests of local communities. If that were to happen, the relationship between lairds and crofters would be less feudal, and local people would not feel the need to buy out their landowners.

When drug companies

come here and collect samples, they say it is the collective heritage of mankind," says Dr Pennappa Subcharoen, director of the National Institute for Traditional Medicine at the Ministry of Public Health. "Then they study it, develop it, claim intellectual property rights on it and come back to Thailand and make us pay for it."

There is nothing new in such behaviour. For decades international drug companies have scoured the earth for organisms whose active ingredients might prove

useful. "We're not trying to stop commercial development and we're not challenging the principle of intellectual property rights," says Dr Pennappa of the Traditional Medicine Institute. "But we don't want to be taken advantage of any more. We pay a lot for drugs and we need to have some rules, some self-defence."

Like oil-rich nations before them, many developing countries believe they are prey to exploitation because they lack the financial and human resources to profit from their natural bounty.

Thailand is so upset by what it sees as "biopiracy" that it is tabling legislation to protect its biodiversity and traditional knowledge of herbal remedies from foreign exploitation. After violating western intellectual property rights for years, Thailand is discovering how it feels to be robbed.

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Such incidents have made

Thailand suspicious. Thailand, he says, possesses a natural ingredient that has the same effect as Viagra,

Pfizer's blockbuster anti-

impotence drug. But the name and the whereabouts of that plant he is keeping strictly to himself.

Genetic pirates walk the plank

As the hunt for natural remedies intensifies, Thailand is battling to protect its treasures, write David Pilling and Ted Bardacke

Deep in the jungles of northern Thailand lurks a plant root that has a miraculous effect on women's breasts.

Pueraria, used by Thais for decades, is a natural oestrogen booster that can enlarge breasts by up to "one inch in five days", according to Wichai Cherdshewasart, a plant biotechnology expert at Bangkok's Chulalongkorn University.

The trouble, bemoans Mr Wichai, is that at least two Japanese pharmaceutical companies have discovered the root's properties and are seeking to patent the active ingredient. According to the Thai government, foreigners are already plundering supplies and threatening the root's survival.

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in Scandinavian soil. Metrodin HP, a hormone used in fertility treatment, was originally extracted from the urine of European mums.

But it is only recently that the issue of payment has cropped up. Drug companies argue that the greatest amount of intellectual property is created in the lab. Of the hundreds of thousands of samples they collect, only a few will have pharmaceutical

use. Even then it takes years of painstaking trials and about \$50m (£29m) to produce a marketable drug.

But the search for biological information, from which active ingredients can be synthesised or valuable information extracted, has intensified. The hunt for rare genes has become frantic as understanding of the genetic basis of disease improves. Typical is a Californian company that is collecting legislation to protect its biodiversity and traditional knowledge of herbal remedies from foreign exploitation because they lack the financial and human resources to profit from their natural bounty.

Merck, the world's biggest drugs company, paid Costa Rica \$1m for access to potentially useful plants, insects and micro-organisms.

Xanova, a UK biotechnology company, is negotiating terms with Mexico to gain access to the Chiapas region, where Mayan inhabitants have a rich knowledge of herbal remedies.

Bronwyn Parry, a Cambridge University research fellow specialising in genetic resources, wonders whether the flow of material from the gene-rich developing world to the gene-poor industrialised world is a form of bio-colonialism".

She says the Biodiversity Convention, signed by 158 countries since 1992, helps address the issue by making genetic resources part of the patrimony of the state, instead of being freely available to mankind as before.

According to Ms Parry, the



MAN IN THE NEWS CHRIS GENT

Cellular visionary

Alan Cane on the Briton leading Vodafone's audacious leap across the Atlantic

tors such as AT&T, British Telecommunications and Deutsche Telekom. "This is his dream. It is something he has had on his mind for a long time," says a friend.

It is not the first time a union between Vodafone and AirTouch has been mooted. Eighteen months ago, merger talks collapsed because the two sides could not agree on a price. But when AirTouch said last week that it was considering a deal with Bell Atlantic, a US regional phone company, the Vodafone board responded in style.

Vodafone offered \$500m in stock and cash for the US company, exceeding the \$450m Bell Atlantic believed to have offered and more than what many analysts believe to be fair value for AirTouch. The aim was two-fold: to pre-empt Bell Atlantic and other suitors, and to exploit a market that Mr Gent believes is woefully untrapped.

This belief in a "wireless future" lies at the heart of

his thinking. He forecasts that every second person in the developed world will have a mobile phone within five years. The mobile phone will become the key to electronic banking, cashless shopping, the electronic newspaper, even the means to open your garage doors remotely.

It is a vision that was passionately shared by Sir Gerald Whent, Vodafone's founder and first chief executive. The common purpose has led to one of the most effective partnerships in the telecoms industry.

"Whent was the entrepreneur," said a colleague. "He saw Vodafone as a huge piece of granite that he left Chris to sculpt." Mr Gent, unassuming and much-liked by colleagues and rivals, remains comparatively unknown in the wider business community partly because he seemed content to work in Sir Gerald's shadow until he finally succeeded him as chief executive in 1997.

Dollar's boost

Base metals tumble as funds sell

WEEK IN THE MARKETS

By Paul Solman

Base metals plunged, with the London Metal Exchange's flagship three-month copper contract falling to an 11½-year low while zinc, tin and aluminium dropped to five-year lows.

Analysts said warehouse stocks pointed to continuing deterioration in market fundamentals, although traders also blamed selling by investment funds for the collapse in prices.

Nickel staged a recovery later in the week on reports of cuts in production at the Largo mine in Greece and suggestions that laterite projects in Australia had run into trouble. Nickel has been hit by claims that the new low-cost processing of laterite nickel could double production in five years.

"Cuts in production have certainly beefed up the market and a lot hinges on the outcome of the laterite projects," Martin Squires, analyst at Rudo Wolff, said yesterday.

But he added: "We're still wary of the downside. Forward demand is still weak, confidence hasn't returned to the European market and Asia remains a dog."

Nickel ended yesterday up \$35 at \$1,425 a tonne, a gain of \$255 on the week. Copper was up \$17 at \$1,462 a tonne, down \$23.50 against last week's close.

Among precious metals, palladium was boosted by reports that Russia, the biggest supplier, would not begin exporting before the end of this month.

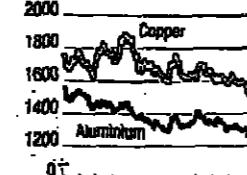
WEEKLY PRICE CHANGES

	Latest price	Change on week ago	Year ago	1998/99
Gold per kg oz	\$291.25	+1.50	\$284.25	\$271.55
Silver per kg oz	316.80	-15.50	361.65	475.700
Aluminium 99.7% (tonne)	1,235.5	-2.0	1,250.5	1,225.5
Copper Grade A (tonne)	1,437.0	-1.65	1,569.75	1,565.0
Lead (tonne)	5,600.0	+3.50	5,625.50	5,514
Zinc 99.5% (tonne)	1,437.5	+1.50	1,520.75	1,537.0
Tin 99.9% (tonne)	5,000.0	+4.00	5,000.0	5,000.0
Coffee Futures Mar	9,119	+102.5	9,347.5	9,347.5
Sugar (LDP Raw)	217.20	+0.3	297.40	297.40
Baileys Futures Jan	76.75	+1.25	74.50	95.00
Wheat Futures Jan	75.00	-1.00	80.25	80.25
Cotton Goods A Index	5,030.0	-0.05	5,030.0	5,030.0
Wool (kg Supreme)	315.0	-0.05	315.0	315.0
Oil Bright Blend	\$11,650	-	\$16,450	\$16,450

For latest prices please see a Precious & Metals price page.

Aluminium/copper prices

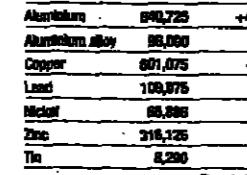
LME 3-month (\$ per tonne)



Source: Bloomberg

LME warehouse stocks*

LME 3-month (\$ per tonne)



*Tonne/day/tonne

Source: Bloomberg

BASE METALS

London Metal Exchange

Prices from Amalgamated Metal Trading

■ ALUMINIUM, 99.7% PURITY (per tonne)

Close 1226.5 1225.4 Previous 1220.21 1223.23 High/low 1240/1231 AM Official 1233.52 1233.4 Kmt close 1233.4 Open Int. 1207.261 Total daily turnover 70,285

■ ALUMINIUM ALLOY (5 per tonne)

Close 1028.33 1030.1 Previous 1023.28 1025.5 High/low 1021.22 AM Official 1023.28 1025.5 Kmt close 1025.5 Open Int. 977.4 Total daily turnover 4,382

■ LEAD (5 per tonne)

Close 495.5-600.5 Previous 495.5-600.5 AM Official 495.5-600.5 Kmt close 495.5-600.5 Open Int. 495.367 Total daily turnover 43,393

■ TIN (5 per tonne)

Close 1035.50 1025.25 Previous 1035.50 1025.25 AM Official 1035.50 1025.25 Kmt close 1035.50 1025.25 Open Int. 1035.50 Total daily turnover 20,941

■ ZINC (5 per tonne)

Close 101.00 101.00 Previous 101.00 101.00 AM Official 101.00 101.00 Kmt close 101.00 101.00 Open Int. 101.00 Total daily turnover 15,951

■ NICKEL (5 per tonne)

Close 4355.50 4420.25 Previous 4355.50 4420.25 AM Official 4355.50 4420.25 Kmt close 4355.50 4420.25 Open Int. 4355.50 Total daily turnover 7,689

■ CLOUTIER, SPECIAL HIGH GRADE (5 per tonne)

Close 922.4 940.1 Previous 903.5-4.5 921.2 High/low 903.5-4.5 AM Official 926.5 915.2-2.5 Kmt close 942.5-7 Open Int. 913.55 Total daily turnover 54,978

■ COPPER, GRADE A (\$ per tonne)

Close 1438.5-7.5 1481.5-2.0 Previous 1419.19 1444.45 High/low 1473/1454 AM Official 1436.35 1450.825 Kmt close 1451.2-2.5 Open Int. 1419.19 Total daily turnover 43,432

■ LME CLOUTIER, 1000 Barrels (Sterling)

Close 1,000.00 1,000.00 Previous 995.00 1,000.00 AM Official 1,000.00 1,000.00 Kmt close 1,000.00 1,000.00 Open Int. 1,000.00 Total daily turnover 1,000.00

■ LME CLOUTIER, 1000 Barrels (\$ per tonne)

Close 1,000.00 1,000.00 Previous 995.00 1,000.00 AM Official 1,000.00 1,000.00 Kmt close 1,000.00 1,000.00 Open Int. 1,000.00 Total daily turnover 1,000.00

■ HIGH GRADE COPPER (COMEX)

Close 1,436.5-7.5 1,481.5-2.0 Previous 1,419.19 1,444.45 High/low 1,473/1454 AM Official 1,436.35 1,450.825 Kmt close 1,451.2-2.5 Open Int. 1,436.55 Total daily turnover 43,432

■ LME CLOUTIER, 1000 Barrels (US Dollars)

Close 1,000.00 1,000.00 Previous 995.00 1,000.00 AM Official 1,000.00 1,000.00 Kmt close 1,000.00 1,000.00 Open Int. 1,000.00 Total daily turnover 1,000.00

■ PRECIOUS METALS

LONDON MILLION MARKET

Prices supplied by N M Rothschild

Gold/Mt oz

Close 291.25-291.50 Previous 291.25-291.50 Open Int. 291.25-291.50

Opening Int.

290.25-290.50 Previous 290.25-290.50 Open Int. 290.25-290.50

Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Previous Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Previous Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Previous Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

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Day's High/Low

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Previous Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Previous Day's High/Low

292.20-292.50 Previous 292.20-292.50 Open Int. 292.20-292.50

Day's High/Low

Dollar's boost

MARKETS REPORT

By Alan Beattie

The dollar shot up against the euro and sterling yesterday on the back of employment data showing the US economy continuing to surge ahead.

Traders struggled to recall the last time that a piece of data rather than rumours of capital flows had moved the dollar, a tentative sign that some degree of normality was returning to the currency markets.

After rising by nearly a cent in a few minutes after the data were released in the middle of the European session, the dollar consolidated its new position. At the end of London trading it closed at \$1.155 against the euro, up from \$1.167 the previous day, and \$1.64 against sterling, up from Thursday's close of \$1.65.

But against the yen, the dollar remained unmoved by the data, evidence that many traders expect the dollar's next move to be further down against the Japanese currency.

The dollar interest rate

futures market took a tumble on the news, contracts expiring around the end of 1998 and early 2000 falling by around 10 basis points as traders revised up their view of the likely interest rate path.

Interest rate futures and forward rate agreements have hardly risen in any fall in US interest rates in 1998, and suggest they are likely to rise in the first half of 2000.

Sterling managed to split the difference between the dollar and the euro when the sharp movement came, falling against the former but rising against the latter.

It closed yesterday at \$0.704 against the euro, up from \$0.708 on Wednesday.

This was the first test case of how sterling will behave when faced with a shock to its traditional partner, the dollar. It is a truism in the currency markets that although the UK has a higher trade exposure to continental Europe, sterling more often takes its lead from the dollar than Euro-zone currencies.

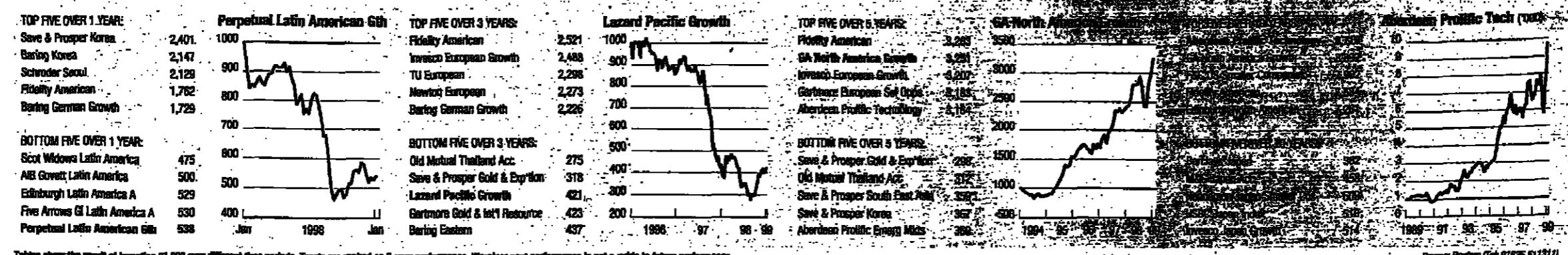
Some had speculated that with the inception of the euro, this familiar relationship would weaken.

Euro spot forward against the euro

Jan 8	Change mid-point on day	Bid/offer spread	Day's mid high	One month Rate %PA	Three months Rate %PA	One year Rate %PA
Europe						
France	33.1674 +0.0022	914 - 514	35.1910	34.8260	35.2008	35.3071 -4.3
Germany	32.5459 +0.0022	478 - 378	7.4046	7.4486 -0.1	7.4605 -0.1	7.4605 -0.1
Greece	32.2282 +0.0020	555 - 455	1.2020	1.2020 -0.1	1.2020 -0.1	1.2020 -0.1
Hungary	24.0306 -0.0020	317 - 217	26.600	26.240 -0.2	27.2217 -13.4	27.2217 -13.4
Ireland	1.8582 -0.0011	700 - 600	0.8250	0.8257 -0.1	0.8257 -0.1	0.8257 -0.1
Italy	0.9582 -0.0011	555 - 455	0.8327	0.8159 -0.1	0.8159 -0.1	0.8159 -0.1
Poland	0.9053 -0.0024	624 - 524	0.9205	-	0.9205 -0.1	0.9205 -0.1
Portugal	1.301389 -0.0001	480 - 380	13.0000	12.9940	-	-
Russia	1.2000	-	1.2000	1.2000	-	-
Spain	0.8294 -0.0048	778 - 678	0.7240	0.7245 -0.1	0.7245 -0.1	0.7245 -0.1
Sweden	0.9191 -0.0068	422 - 322	0.9250	0.9090 -0.1	0.9090 -0.1	0.9090 -0.1
Switzerland	0.8717 -0.0032	119 - 109	1.0183	1.0040 -0.1	1.0040 -0.1	1.0040 -0.1
UK	0.7043 -0.0032	04 - 04	0.7112	0.7000 -0.1	0.7000 -0.1	0.7000 -0.1
Americas						
Argentina	1.1546 -0.0122	544 - 444	1.1827	1.1531 -0.1	1.1531 -0.1	1.1531 -0.1
Brazil	1.2678 -0.0142	925 - 825	1.4197	1.3695 -0.1	1.3695 -0.1	1.3695 -0.1
Canada	0.7358 -0.0156	454 - 354	1.7400	1.7510 -1.8	1.7510 -1.8	1.7510 -1.8
Mexico	1.1273 -0.0170	240 - 340	1.1519	1.1210 -0.1	1.1210 -0.1	1.1210 -0.1
New York	1.1653 -0.0115	551 - 451	1.1733	1.1537 -0.1	1.1537 -0.1	1.1537 -0.1
Pacific/Nth America						
Australia	1.9147 -0.0016	257 - 157	1.9202	1.9184 -0.1	1.9184 -0.1	1.9184 -0.1
Hong Kong	0.9516 -0.0016	480 - 380	0.9550	0.9552 -0.1	0.9552 -0.1	0.9552 -0.1
India	0.8127 -0.0020	130 - 230	0.8087	0.8087 -0.1	0.8087 -0.1	0.8087 -0.1
Indonesia	0.7133 -0.0013	560 - 460	0.7133	0.7133 -0.1	0.7133 -0.1	0.7133 -0.1
Malaysia	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Philippines	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Thailand	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
UK	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Americas						
Argentina	1.2047 -0.0016	257 - 157	1.2042	1.2021 -0.1	1.2021 -0.1	1.2021 -0.1
Brazil	1.2016 -0.0017	480 - 380	1.2016	1.2020 -0.1	1.2020 -0.1	1.2020 -0.1
Canada	0.7142 -0.0016	257 - 157	0.7142	0.7142 -0.1	0.7142 -0.1	0.7142 -0.1
Mexico	1.1273 -0.0170	240 - 340	1.1519	1.1210 -0.1	1.1210 -0.1	1.1210 -0.1
New York	1.1653 -0.0115	551 - 451	1.1733	1.1537 -0.1	1.1537 -0.1	1.1537 -0.1
Pacific/Nth America						
Australia	1.9147 -0.0016	257 - 157	1.9202	1.9184 -0.1	1.9184 -0.1	1.9184 -0.1
Hong Kong	0.9516 -0.0016	480 - 380	0.9550	0.9552 -0.1	0.9552 -0.1	0.9552 -0.1
India	0.8127 -0.0020	130 - 230	0.8087	0.8087 -0.1	0.8087 -0.1	0.8087 -0.1
Indonesia	0.7133 -0.0013	560 - 460	0.7133	0.7133 -0.1	0.7133 -0.1	0.7133 -0.1
Malaysia	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Philippines	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Thailand	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
UK	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Americas						
Argentina	1.2047 -0.0016	257 - 157	1.2042	1.2021 -0.1	1.2021 -0.1	1.2021 -0.1
Brazil	1.2016 -0.0017	480 - 380	1.2016	1.2020 -0.1	1.2020 -0.1	1.2020 -0.1
Canada	0.7142 -0.0016	257 - 157	0.7142	0.7142 -0.1	0.7142 -0.1	0.7142 -0.1
Mexico	1.1273 -0.0170	240 - 340	1.1519	1.1210 -0.1	1.1210 -0.1	1.1210 -0.1
New York	1.1653 -0.0115	551 - 451	1.1733	1.1537 -0.1	1.1537 -0.1	1.1537 -0.1
Pacific/Nth America						
Australia	1.9147 -0.0016	257 - 157	1.9202	1.9184 -0.1	1.9184 -0.1	1.9184 -0.1
Hong Kong	0.9516 -0.0016	480 - 380	0.9550	0.9552 -0.1	0.9552 -0.1	0.9552 -0.1
India	0.8127 -0.0020	130 - 230	0.8087	0.8087 -0.1	0.8087 -0.1	0.8087 -0.1
Indonesia	0.7133 -0.0013	560 - 460	0.7133	0.7133 -0.1	0.7133 -0.1	0.7133 -0.1
Malaysia	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Philippines	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Thailand	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
UK	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Americas						
Argentina	1.2047 -0.0016	257 - 157	1.2042	1.2021 -0.1	1.2021 -0.1	1.2021 -0.1
Brazil	1.2016 -0.0017	480 - 380	1.2016	1.2020 -0.1	1.2020 -0.1	1.2020 -0.1
Canada	0.7142 -0.0016	257 - 157	0.7142	0.7142 -0.1	0.7142 -0.1	0.7142 -0.1
Mexico	1.1273 -0.0170	240 - 340	1.1519	1.1210 -0.1	1.1210 -0.1	1.1210 -0.1
New York	1.1653 -0.0115	551 - 451	1.1733	1.1537 -0.1	1.1537 -0.1	1.1537 -0.1
Pacific/Nth America						
Australia	1.9147 -0.0016	257 - 157	1.9202	1.9184 -0.1	1.9184 -0.1	1.9184 -0.1
Hong Kong	0.9516 -0.0016	480 - 380	0.9550	0.9552 -0.1	0.9552 -0.1	0.9552 -0.1
India	0.8127 -0.0020	130 - 230	0.8087	0.8087 -0.1	0.8087 -0.1	0.8087 -0.1
Indonesia	0.7133 -0.0013	560 - 460	0.7133	0.7133 -0.1	0.7133 -0.1	0.7133 -0.1
Malaysia	0.7142 -0.0023	179 - 304	0.7142	0.6975 -0.1	0.6975 -0.1	0.6975 -0.1
Philippines	0.7142 -0.0023	179 - 304	0.7142	0.6975		

UNIT TRUSTS

■ WINNERS AND LOSERS



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Worsening past performance is not a guide to future performance.

Indices									
	1	3	5	10	Volatility	Yield	TR		
Average Unit Trust	1062	1230	1460	3023	4.4	2.4	-		
Average Investment Trust	1077	1354	1443	3322	6.2	4.5	-		
Bank	1046	1121	1207	1728	0.9	5.7	-		
Stockmarket FTSE All-Shares	1162	1114	1202	2059	0.9	5.4	-		
Inflation	1038	1073	1093	4132	3.8	3.9	-		
■ UK Growth	1 year (3)	5	10	Volatility	Yield	TR			
Jupiter UK Growth Exempt	1367	2222	-	-	4.9	0.8	-		
Exeter Capital Growth	1147	1621	1665	-	6.7	-	-		
Johnson Ry Stater Growth	927	1818	1901	4358	4.3	1.3	-		
River & Mercantile 1st Growth	1105	1745	2238	-	3.5	2.8	-		
Thornhill Capital	1166	1775	1897	-	4.0	0.6	-		
SECTOR AVERAGE	1043	1449	1628	2961	3.8	1.6	-		
■ UK Growth & Income	1 year (3)	5	10	Volatility	Yield	TR			
Cf The Ulisses	1064	1793	2066	-	3.7	2.1	-		
River & Mercantile Top 100	1177	1753	-	-	3.8	2.8	-		
Planning Select UK Income	1125	1746	2115	3333	3.3	4.0	-		
Laurence Keen Income & Growth	1105	1745	1940	-	3.7	2.9	-		
HSBC Fiduciary Fund	1175	1733	1897	-	4.1	1.7	-		
SECTOR AVERAGE	1081	1504	1669	3205	3.7	2.1	-		
■ UK Smaller Companies	1 year (3)	5	10	Volatility	Yield	TR			
GT UK Smaller Companies Acc	1208	1965	1807	-	4.3	1.5	-		
Henderson Exempt Cypt	1080	1578	1628	-	4.3	1.8	-		
NatWest UK Smaller Cos	888	1497	-	-	4.7	2.1	-		
Gartmore UK Smaller Companies	947	1454	1908	2443	4.9	1.3	-		
Laurence Keen Smaller Companies	855	1454	2033	-	4.4	1.7	-		
SECTOR AVERAGE	900	1355	1318	2021	4.4	1.8	-		
■ UK Equity Income	1 year (3)	5	10	Volatility	Yield	TR			
BWU UK Equity Income	1120	1738	2101	3770	3.4	3.2	-		
Fidelity Income Plus	1132	1703	1747	2754	3.3	4.0	-		
Premier Dividend	1141	1685	1992	2412	3.5	3.7	-		
NPI Global Care Income	1120	1505	1620	-	3.1	3.1	-		
Britannia High Yield	1131	1611	1885	4447	3.2	3.3	-		
SECTOR AVERAGE	1041	1458	1882	3025	3.4	3.8	-		
■ UK Equity & Bond Income	1 year (3)	5	10	Volatility	Yield	TR			
Abbey National Extra Income	1076	1591	1642	3885	2.5	4.2	-		
Edinburgh UK Income A	1208	1588	1659	2566	3.0	3.4	-		
CS UK Income	1073	1527	1645	-	2.8	3.2	-		
Fidelity High Income	1114	1495	1459	-	1.9	4.4	-		
HSBC High Income	1016	1479	-	-	2.5	5.4	-		
SECTOR AVERAGE	1049	1383	1464	2574	2.8	4.8	-		
■ UK Equity & Bond Income	1 year (3)	5	10	Volatility	Yield	TR			
Abbey National Extra Income	1076	1591	1642	3885	2.5	4.2	-		
Edinburgh UK Income A	1208	1588	1659	2566	3.0	3.4	-		
CS UK Income	1073	1527	1645	-	2.8	3.2	-		
Fidelity High Income	1114	1495	1459	-	1.9	4.4	-		
HSBC High Income	1016	1479	-	-	2.5	5.4	-		
SECTOR AVERAGE	1049	1383	1464	2574	2.8	4.8	-		
■ UK Smaller Companies	1 year (3)	5	10	Volatility	Yield	TR			
Friend Prov Australian	886	1105	1211	2772	5.2	-	-		
Invesco Hong Kong Growth	851	1022	948	4504	10.0	2.8	-		
Morgan Grenv MP Annuity Conv Ex	1152	1503	1591	2477	2.3	5.9	-		
CGI PPT Preference	1122	1494	1609	2236	3.1	2.8	-		
Mitfam Long-Dated Bond	1176	1516	1580	-	1.7	4.7	-		
Mercury Long-Dated Bond	1163	1441	1471	2420	1.5	4.1	-		
Rowing Select UK Index	1171	1412	-	-	1.3	2.1	-		
SECTOR AVERAGE	1124	1319	1326	2270	1.3	4.6	-		
■ UK Gilt	1 year (3)	5	10	Volatility	Yield	TR			
Fleming Select Long-Dated Gilt	1245	1651	-	-	2.2	5.0	-		
Fidelity Institutional Lg Gilt	1245	1626	-	-	2.2	5.1	-		
Mercury Long-Dated Bond	1176	1516	1580	-	1.7	4.7	-		
M&G Gilt & Fixed Interest	1163	1441	1471	2420	1.5	4.1	-		
Rowing Select UK Index	1171	1412	-	-	1.3	2.1	-		
SECTOR AVERAGE	1124	1319	1326	2270	1.3	4.6	-		
■ UK Fixed Interest	1 year (3)	5	10	Volatility	Yield	TR			
Schroder Gilt & Fixed Inter	1152	1522	1591	2477	2.3	5.9	-		
CGI PPT Preference	1122	1494	1609	2236	3.1	2.8	-		
Mitfam Long-Dated Bond	1176	1516	1580	-	1.7	4.7	-		
Mercury Long-Dated Bond	1163	1441	1471	2420	1.5	4.1	-		
Rowing Select UK Index	1171	1412	-	-	1.3	2.1	-		
SECTOR AVERAGE	1124	1319	1326	2270	1.3	4.6	-		
■ UK Equity Income	1 year (3)	5	10	Volatility	Yield	TR			
Far East exc Japan	1062	831	884	1803	7.7	-	-		
Jupiter Far Eastern	1082	831	884	1803	7.7	-	-		
Saxo & Proper Far East Sm Cos	1033	817	510	-	6.1	0.4	-		
ABG Growth Greater China	800	807	885	1925	9.7	-	-		
Henry Currie LG East Enterprises	1059	805	880	1174	3.4	0.0	-		
Gertrude Asian Enterprise	1059	819	734	-	7.2	0.6	-		
HSBC RCM Oriental Income	828	758	785	1703	6.5	1.2	-		
SECTOR AVERAGE	954	650	616	1460	6.7	0.9	-		
■ Far East inc Japan	1 year (3)	5	10	Volatility	Yield	TR			
Friend Prov Australian	1072	842	938	1241	5.9	-	-		
Invesco Hong Kong	1019	833	922	979	6.2	-	-		
Murphy Japan Growth	1174	808	975	-	5.8	0.8	-		
Henry Currie LG East Enterprises	1059	805	880	1174	3.4	0.0			

FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 1-800-421-5500 for more details.

Midland Unit Trust Management Ltd - Contd.											

Old Mutual Fund Managers Ltd - Contd.											

St James's Place UT Group Ltd (1200PF)											

Scotmid Widener Fund Managed - Contd.											

Troeze Maxine Stones Piers UT (1200PF)											

Funds in Coast*											

Abbey Life Assurance Co Ltd - Contd.											

Pension Fund											

Private Equity											

Mercury Fund											

Canada Life - Contd.											

Pension Fund											

Private Equity											

Mercury Fund											

Mercury Emerging Markets Fund											

Mercury Portfolio											

Mercury Venture Fund											

Mercury Venture Fund											

Mercury Venture Fund											

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FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 1-844 1711 6728 4972 for more details.

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Fam Assur & Inv Soc Ltd															
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FT MANAGED FUNDS SERVICE

• FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on 644-1711-223-3328 for more details.

OFFSHORE AND OVERSEAS

**BERMUDA
(FSA RECOGNISED)**

India Access Ltd. 57-59
India Deep Sea Ltd. 57-59
India Public Sector Fd Co. 59

**Int'l Motor Show
Chicago - Nov. 1964**

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available.**

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REGULATED

Offshore Funds

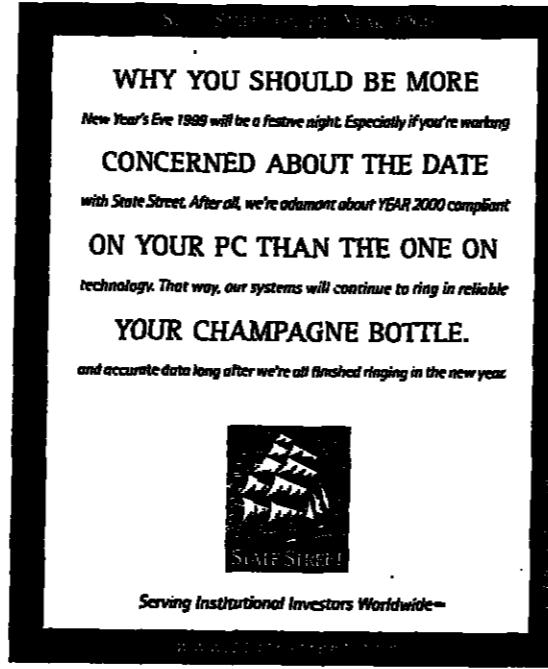
Offshore Funds and Insurances

- FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

FT MANAGED FUNDS SERVICE

● FT Clayton Unit Trust Pledges are available over the telephone. Call the FT Clayton Help Desk on 644-1211, 821-4728 for more details.

Offshore Insurances and Other Funds



OTHER OFFSHORE FUNDS

● MANAGED FUNDS NOTES

Prices are in power unless otherwise indicated and **not** designed to be kept near to \$1.00.

Yield % refers to **12 month** yields.

These are **units** of certain other **investment funds** which subject to capital gains and losses.

FSA - Financial Services Authority.

FIA - Funds and PIA incorporated. The regulatory authorities for these funds are:

- Standard - Standard Monetary Authority
- Capital - Capital Issues Monetary Authority
- Industry - Financial Services Commission
- Industrial - Central Bank of Ireland/Department of Employment and Social Welfare.

Info re FIA - Standard Corporation Committee.

Jersey - Financial Services Department.

Luxembourg - Institut National Luxembourgeois.

Interest change - Change made in rate of credit.

Selling price - Bid or redemption price.

Bidding price - Offer or issue price.

SDCI - Open Investment Companies.

Note - The fund manager changes the fund manager's name if one of the fund's shareholders voted in favour of one of the following:

- # 1000 - 1000 hours
- # 1100 - 1100 hours
- # 1101 - 1101 hours
- # 1102 - 1102 hours
- # 1103 - no signature.

E 1st change on part of units.

C Manages a portfolio change deducted from capital.

B Alternative pricing - Forward pricing.

A Distribution free of 10% fees.

D Private placement insurance form.

G Simple protection insurance.

H Registered as a DIFC (Dubai International Financial Centre) - Investment Management Reporting.

J Offered prior notice of conversion events upon conversion.

K Paragon share price.

M Secondary shares.

N Yield below Jersey cap.

O 12 months old - 12-months.

P Only available in charitable bodies.

Q Yield culture shows investment value of NDF market.

The fund prices will be published in this edition on:

LONDON SHARE SERVICE

LONDON SHARE SERVICE

INVESTMENT TRUSTS							
The following investment trusts are not eligible for inclusion in the FTSE Actuaries Share Index.							
Approved by the relevant Regulator							
Aberdeen Equity Fund							
Barclays Trust Fund							
Barings Equity Fund							
Barings Income Fund							
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Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA									
	Jan 8	Jan 9	Jan 5	High	Low	Jan 8	Jan 9	Jan 5	High
UNITED STATES (Am 8 / US\$)									
All Indx 1/1/93	90,170.50	101,021.18	24,661.50	23,598	12,810.10	10,950			
All Others 1/1/93	2,655.3	2,697.2	2,634.4	2,677.30	719.59	2,655.30	1,676		
All Mktg 1/1/93	954.5	987.2	981.5	978.5	713.3	24,598	954.5		
American Int'l 1/1/93	14,360.5	14,360.5	14,360.5	14,360.5	14,360.5	14,360.5	14,360.5		
ATM Int'l 1/1/93	114,130	114,211	114,130	114,211	114,130	114,211	114,130		
Babcock 1/1/93	557,395	360,846	361,132	361,132	57,159	267,178	107,159		
Bank 1/1/93	14	15,524.1	17,310.1	12,028.0	14,149.8	14,149.8	10,950		
Boeing 1/1/93	14	22,021.21	23,021.21	22,021.21	21,005	22,021.21	21,005		
Caterpillar 1/1/93	14	260,119	265,524	260,119	260,119	260,119	260,119		
Cessna 1/1/93	14	362,251	361,51	361,51	361,51	361,51	361,51		
Computer 1/1/93	14	354,377	355,324	358,038	355,324	358,038	357,524		
Dell 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
DIA 1/1/93	14	362,521	362,521	362,521	362,521	362,521	362,521		
DuPont 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Eltel 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
FBI 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
General Elec 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
IBM 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Intel 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
JPMorgan 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Kodak 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Lever 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Lucent 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Matsushita 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Motorola 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
NCR 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Pitney Bowes 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Sprint 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
US West 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Verizon 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Xerox 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
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Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
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Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yankee 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		
Yamaha 1/1/93	14	34,327.5	35,350.5	34,327.5	35,350.5	34,327.5	35,350.5		

Shares mixed after release of jobs report

AMERICAS

US blue chips and high-tech shares rose in early trading, but the broader market was more mixed following a stronger than expected labour report, writes John Lafferty in New York.

By early afternoon the Dow Jones Industrial Average had gained \$4.59 to 9,582.35. The broader Standard & Poor's 500 index had stalled, however, falling 1.01 to 1,368.72.

Surging internet and telecoms prices continued to lift the Nasdaq composite index, which was 21.32 higher, a gain of nearly 1 per cent to 2,347.41.

The morning release of the monthly employment report helped some stocks. Payrolls in December grew by 378,000, a much stronger return than analysts had expected, providing the latest evidence that fourth-quarter growth will be strong.

The unemployment rate fell to 4.3 per cent, and stocks rose despite the threat of higher interest rates which could accompany economic strength.

"It's not the economic cycle that is controlling the stock market, it's the mood cycle and the mood is to buy stocks," said Alfred Goldmann, chief market strategist at A.G. Edwards in St Louis.

Cyclical shares gave the Dow a boost, with Alu-

minum Company of America up more than 8 per cent to \$38.35 after reporting strong quarterly figures. International Paper climbed 6.9 per cent to \$45.45.

Automotive shares continued higher as well, with General Motors up \$4.41 to \$92.35. In telecoms, AT&T rose \$1.1 to \$34 after announcing a share buyback programme.

Internet stocks surged in anticipation of upcoming earnings releases. Yahoo!, which is expected to report on Tuesday, climbed \$3.3 or 10 per cent to \$33.3.

Broadcast.com shares were halted after a morning rise of \$66.4 to \$28.25.

TORONTO pushed steadily higher in early trading on the back of positive news from the metals sectors and a renewed rally for banks.

Base metal prices showed signs of recovery. US industry leader Alcoa turned in strong fourth-quarter earnings and at home Alcan Aluminum was upgraded by Merrill Lynch.

As metals surged, the 300 composite index had risen 74.51 to \$6,764.40 by the noon count. Inco jumped \$18.65 or more than 10 per cent to \$191.15 and Alcan rose \$26.65 to \$45.80.

Golds, in contrast, were mixed. Barrick shed 16 cents to \$31.35. In banks, Royal Bank of Canada rose \$1.15 to \$81.70.

São Paulo rallies after slide over debt setback

SAO PAULO, down more than 5 per cent on Thursday after a Brazilian state ran into debt difficulties, rallied on what brokers described as modest bargain hunting.

Traders felt the market had over-reacted to the news of a 90-day moratorium on payments due to the federal government by Minas Gerais, Brazil's third biggest state.

In early trading, Telebras receipts recovered 0.1 per cent to R\$92.30 and the

benchmark Bovespa index was 27 higher at 6,982 at midsession.

MEXICO CITY also recovered in subdued trading, the IBC index adding 8.57 to 3,673.82 as midsession market heavyweight Telmex rose 30 centavos to 33.70 pesos.

CARACAS pushed higher, aided by a better start for international oil prices. At midsession, the IBC index was up 121.30 or 2.1 per cent to 5,643.88.

EUROPE

German equities ended a strong week in FRANKFURT with the Xetra Dax index adding 24.80 at 5,370.51 for a net gain over the five days of 7.2 per cent.

Dresdner Bank rose \$2.30 to \$42.70 as investors took stock of news of the bank's plan to put DM25bn of non-bank share stakes into a separate company, Allianz added \$1.50 to \$49.50.

Krupp and Thyssen rose steeply after several brokers turned more positive on the

sector. Thyssen surged \$3.00 to \$167.50 and Krupp \$7.50 to \$125.50.

Deutsche Telekom, linked by speculation to a possible takeover bid for Cable & Wireless of the UK, fell \$1.63 to \$32.52. Mannesmann dipped \$2.30 to \$114.25.

PARIS ended 14.73 ahead at 4,245.42 on the CAC 40 index helped by a bounce for technology-related stocks and another strong session for LVH.

Cap Gemini rose \$6 to \$167 and STMicroelectronics \$3.50 to \$78.50. LVH stayed firmly in favour, racking up a three-day gain of more than 15 per cent with a rise of \$7 to \$212 as investors continued to warm to speculation about a takeover bid for Italian fashion house Gucci. Food group Danone was the day's loss-leader, slipping \$1.70 or 2.1 per cent to \$22.26.

AMSTERDAM ended 1.81 lower at \$55.27 on the AEX index in spite of another strong showing for tech shares. Philips rose \$2.45 to \$63.65 and the fierce rally at Beun continued apace. The

steel sector, Merrill Lynch lifted its ratings for the two groups, due to complete a merger by early March, to "buy" from "accumulate". Salomon Smith Barney moved to "neutral" from

steal sector. Merrill Lynch lifted its ratings for the two groups, due to complete a merger by early March, to "buy" from "accumulate". Salomon Smith Barney moved to "neutral" from

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COMPANIES & FINANCE

ENGINEERING/TELECOMMUNICATIONS SWITCH FROM TRADITIONAL ACTIVITIES SETS COURSE FOR 15% RETURN ON ASSETS BY 2000

Strong telecoms lift Mannesmann 50%

By Tony Barber in Frankfurt

Mannesmann, the German telecommunications and engineering group, yesterday predicted strong net profit for 1998 after reporting a 50 per cent increase in earnings on ordinary activities to €1.3bn (£1.52bn).

Giving preliminary figures for last year, the Düsseldorf-based company said its telecoms business was once again the largest contributor to earnings. These operations generated about

three-quarters of Mannesmann's profit in 1997 and accounted for most of its growth.

Mannesmann has successfully switched from its traditional steel and engineering industries to telecoms in the past three years, divesting almost 40 businesses and moving aggressively into Germany's deregulated telephone market.

The company's goal is to achieve a return on assets of 15 per cent by 2000, although some individual units - such

as the Arcor telecoms business - are aiming for as high as 30 per cent.

According to Mannesmann, the group's overall return on assets has risen steadily in recent years, from 8 per cent in 1986 and 10.3 per cent in 1997 to more than 12 per cent last year.

Mannesmann's evolution from heavy industry to advanced technology parallels the path taken by other German companies such as Preussag, the former steel and coal group which now

concentrates on tourism and services.

D2, Mannesmann's mobile phone network, in which AirTouch of the US has a 35 per cent stake, has proved especially strong and now has 6m subscribers. AirTouch is the subject of rival takeover offers from Bell Atlantic and the Vodafone of the UK.

Vodafone has a stake in E-Plus, a smaller German rival to D2, and some analysts believe it would give up its holding if its bid for Air-

Touch were successful. This in turn could strengthen Mannesmann's market position, the analysts said.

Mannesmann, one of the Frankfurt stock market's top performers last year, said its mobile, fixed-line and other telecoms operations were largely responsible for a 14 per cent rise in sales to about €19bn.

The company said it would give details of its 1998 performance, including the proposed dividend, next month.

• Deutsche Telekom,

Europe's largest telecoms group, yesterday said the number of clients using its D1 mobile service rose 57 per cent last year, to almost 5.5m, writes Ralph Atkins in Bonn.

The rise reflected strong growth in the German mobile market, encouraged by sweeping price cuts, although D1 still lies behind Mannesmann's D2 network.

Separately, E-Plus said yesterday it would cut prices by up to 72 per cent, starting next month.

Gucci revenues climb strongly

By Alice Rawsthorn in London and Samer Iskandar in Paris

Since Gucci's strategy as a significant minority investor. If so, he might seek to buy the 9.5 per cent of Gucci bought last summer by Prada, a rival Italian fashion house.

Prada had nursed a loss on the investment, for which it paid \$240m, when Gucci's shares weakened as the luxury market deteriorated.

After LVMH's intervention, Prada's holding is now valued at more than \$400m.

LVMH's shares have also been buoyed by hopes of a Gucci bid. They gained 6.70 in Paris yesterday to close at €121, having opened at €117 on Wednesday.

Regardless of whether LVMH makes a bid, Gucci's prospects look brighter after yesterday's trading statement. Domenico De Sole, president, said the group had made "solid gains" in the US and Japan, and was "beginning to see signs of recovery" in Hong Kong and Hawaii, both badly affected by Asia's economic crisis.

Revenue in November and December rose to \$200.2m, compared with \$162.8m in the year-ago period. Gucci now expects to report net income of at least \$3 a share on a diluted basis for the full year to January 31, according to Mr De Sole.

Share strength sidelines creativity at AT&T

By Richard Waters in New York

John Malone, the great financial engineer of the US cable television industry, appears to have changed his spots.

As the boss of TCI, the second-biggest US cable company, Mr Malone has acquired a deserved reputation for financial wheeling and dealing. The abstruse structure of his debt-laden enterprises, and his shuffling of assets between them, has befuddled even sophisticated investors.

It came as no surprise, therefore, when some of that financial creativity rubbed off on to AT&T, the telecommunications group which agreed last June to pay \$36bn for Mr Malone's company.

The merger was to be followed by the creation of different classes of AT&T stock, the two companies said at the time. That was supposed to make it easier for the stock market to value the new group's operations separately - and allow Mr Malone himself, and other investors, to hold shares that had more in common with the old TCI stock than with AT&T.

Yesterday, to the surprise of Wall Street, Ma Bell dropped that plan. According to people close to the company, the financial engi-

neering would have got in the way of the monumental job AT&T faces of combining the assorted acquisitions and joint ventures it has announced over the past year.

Besides TCI, this has included buying Teleport, a local carrier, Vanguard, a cellular company, and a communications network owned by IBM, while also setting up a global joint venture with British Telecommunications and, yesterday, a series of partnerships with

The financial engineering would have got in the way of the monumental job AT&T faces of combining its assorted acquisitions and joint ventures'

smaller cable operators.

The change of plan did not mean that integrating AT&T's telecoms operations with TCI's cable networks was proving more difficult than expected, one person close to AT&T said. But all the management headaches that would have been caused by separate classes of stock - from issues of board control and governance to questions of how to put a price on transactions between different parts of the new group - could have got in the way, this person added.

Revenues, however, only grew by 3 per cent, well below the industry average.

AT&T's share price is also likely to have benefited from the merger talk this year involving Airtouch, the wireless carrier. That has prompted analysts in the US and Europe to put a higher

valuation on other wireless networks and AT&T, through its 1998 acquisition of McCaw Cellular, remains the biggest carrier in this fast-growing market in the US.

To help offset any disappointment from its change of tack yesterday, AT&T announced plans to buy back \$4bn of its shares and carry out a 3-for-2 stock split - traditionally a way in which US companies have expressed strong confidence in their future share prices.

The company also left open the possibility of returning to the plan for a tracker stock later, if the stock price fails to reflect the value that the company's executives believe the different parts of its business should attract.

Also, while dropping its

plans for a separate stock to track its cable networks, AT&T said it would press ahead with a tracking stock for Liberty Media, the programming arm of TCI that will be run independently after the acquisition.

While declaring himself "personally extremely pleased" with AT&T's change of plan yesterday, Mr Malone will no doubt be keeping a close eye on the performance of his new AT&T shares - just in case a bit of financial tinkering is ever needed.



John Malone: 'personally extremely pleased' with change of plan AP

Seagram job cuts

By Alice Rawsthorn

losses will be in North America, where Seagram has already unveiled proposals to restructure its music operations.

Next week Seagram is to specify the new operating structure for all other regions, which is intended to attain annual cost savings of roughly \$170m by shedding some 1,000 employees.

Senior executives from Universal Music's subsidiaries outside North America will meet Edgar Bronfman Jr, Seagram's president, in Los Angeles to discuss the new structure for their regions.

FT/S&P ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS

Figures in parentheses show number of issues of stock

US

Dollar

Pound

Yen

Euro

Local

Local

Dollars

Pound

Yen

Euro

Index

brother
PRINTERS
FAX MACHINES

COMPANIES & MARKETS

Weekend January 9/January 10 1999

BUILDING HOMES
OF INDIVIDUALITY
FROM SCOTLAND TO
THE SOUTH COAST.

Munich Re transfers \$36bn shareholdings

Assets in other companies diverted into separate units

By Anthony Barber in Frankfurt

Munich Re, the world's largest reinsurance group, has transferred DM36bn (£21.6bn, \$36bn) of shareholdings in other companies into separate units in what it describes as a drive to increase its flexibility in portfolio management and acquisitions.

The action, which Munich Re said yesterday was not prompted by any firm plans to sell the stakes or acquire new ones in other companies, mirrors steps taken by Deutsche Bank and Dresdner Bank.

Like Munich Re, Deutsche and Dresdner have held large stakes in some of Germany's leading companies since the nation's re-emergence as an industrial power after the second world war.

Munich Re said the shareholdings it had transferred included its 25 per cent stake in Allianz, Europe's largest insurer, which itself has substantial holdings in leading

German companies. Munich Re's stake in Allianz was worth DM36bn as of last June.

Munich Re revealed in 1996 that its holdings also included small stakes in such German companies as the industrial group Siemens, the chemicals groups Bayer and Hoechst, and the Bavarian bank Vereinsbank (now HypoVereinsbank) as well as Deutsches Bank.

Germany offers many examples of large companies owning stakes in each other and having representatives on each other's boards. Traditionalists defend the practice as a way of protecting companies from unwanted takeovers and say it has enabled them to plan long-term strategies.

Deutsche Bank became the first large group to signal a fresh approach when it said last month that it was moving its non-bank holdings into a separate operation. It made the announcement days after agreeing to the \$10.1bn takeover of Bankers Trust, the

eighth largest US bank. Dresdner said last Tuesday it had transferred DM25bn of its non-bank shareholdings before the end of last year.

Analysts said one motive behind the actions of Deutsche, Dresdner and Munich Re appeared to be a calculation that such moves could help limit tax liabilities under the new tax regime of Germany's centre-left government. However, the groups are keen to portray themselves as more transparent in their activities, alert to shareholders' interests and dedicated to professional management of assets.

Munich Re, preparing for a possible listing on the New York stock exchange, last year published its hidden reserves for the first time. It ended the distinction between its registered shares and bearer shares, and allowed bearer shares to be converted to registered shares – aimed at increasing trading liquidity and transparency.

AT&T drops plans for tracker stock in TCI deal

By Richard Waters in New York

AT&T yesterday surprised Wall Street with a fundamental shift in the structure of its planned \$36bn (£20.5bn) purchase of TCI, a deal intended to provide the springboard for its attack on local telephone markets across the US.

The US telecommunications group revealed that it had dropped plans to create a separate class of stock after the deal that would have mirrored the performance of all of its consumer operations, including TCI's cable television networks and its own residential telephone service.

That plan, hatched last June, was seen as a key part of AT&T's efforts to win the stock market's backing for the acquisition. The separate class of "tracker" stock, with more debt, lower earnings and faster growth than the group's core business, would have attracted a different type of shareholder, potentially giving AT&T over-

all a higher stock market value.

Yesterday, however, AT&T indicated that the complicated financial structure could have obstructed its efforts to merge its operations with those of TCI. The company has also been distracted by other deals, ranging from the acquisition of International Business Machines' communications network to a global joint venture with British Telecommunications.

"Our first and foremost mission is to integrate all these businesses into a seamless organisation," AT&T said.

Meanwhile, the need for a separate class of stock has been reduced by a sharp rise in AT&T's shares since the merger was announced. The stock rose another \$3 to \$36.4m in morning trading yesterday, compared with \$30 when news of the TCI acquisition broke.

The rally has removed the company's fears that Wall Street would fail to value its

various operations fully. That contrasts with moves by some other US telecoms companies, including Sprint, to set up tracker stocks to reflect their newer, faster-growing operations.

The decision to drop the tracking stock was supported by John Malone, the TCI chairman, and Leo Hindery, the company's president, AT&T said.

As large shareholders, both men had been expected to opt for the new tracker stock, rather than AT&T's core shares, after a merger. Mr Malone, along with his wife, owns TCI stock that would be converted into \$2.2bn of AT&T shares, based on yesterday's share price.

AT&T said it still planned to issue a separate tracker stock for Liberty Media, the TCI programming unit that will not be combined with its other operations.

Creativity sidelined, Page 23

See box

Mitsukoshi to sell its stake in Tiffany

By Alexandra Hisamatsu in Tokyo

Mitsukoshi, the troubled Japanese department store, is selling its stake in Tiffany & Co., the upmarket jeweller, it said yesterday.

The move represents yet another retreat by Japanese companies that bought trophy assets in the US during the "bubble" period of the late 1980s and early 1990s. Mitsukoshi acquired a 10 per cent stake in Tiffany from GE Capital in 1990.

The Japanese group, which

is now Tiffany's biggest shareholder with a 12 per cent stake, said it would dispose of its holding in a public offering by the end of next month. It would sell at least 3.88m shares and possibly further 390,000 in case of heavy demand. At Thursday's closing price of \$75.7m, the 4.37m shares would fetch about \$247m.

Proceeds will be used for general corporate purposes, store renovation and expansion.

The 325-year-old company faces financial and structural problems. Its net debt to equity ratio is 10 times, compared with an average of 1.3 times for other Japanese department stores, according to Salomon Smith Barney. In addition, the equity base is expected to fall from Y75.1bn (£67.4m) to Y23.4bn on a consolidated basis this year because of extraordinary losses relating to a write-down on the value of golf course properties bought during the "bubble" period.

Worse, Mitsukoshi's underlying businesses are performing poorly. The company's flagship store is in Tokyo's Nihonbashi district, an area that is becoming increasingly unfashionable among shoppers. Other Tokyo department stores are also suffering. The six biggest stores' collective pre-tax profits excluding exceptional costs could fall more than 8.5 per cent in the year ending March 1998, according to Keiichi Nakabayashi, analyst at Warburg Dillon Read.

This compares with a 22.7 per cent drop in the previous year. However, analysts will probably revise their estimates downwards because of worse than expected December sales.

AT&T's decision not to establish a so-called tracking stock is a victory of common sense over financial engineering. In the wake of its \$36bn acquisition of cable group TCI, the tracking stock was intended to help investors by in effect splitting the telecommunications giant into a fast-growing but highly indebted residential company (including TCI) and a safer but duller business and infrastructure side. Since the first would be measured on cash flow and the second on earnings, the tracking stock was supposed to make sure hidden value did not remain locked up.

In fact, this turned out to be an imaginary problem. AT&T's stock has gained 40 per cent since the TCI purchase was announced in June. Perhaps the management underestimated its analysts and investors? They have obviously had no problem in looking at different businesses differently and coming up with a sum-of-the-parts valuation. The scramble over AirTouch, for example, has highlighted the value of AT&T's wireless operations.

The management has helped by furnishing more information about the various businesses and yesterday by announcing a \$4bn share buyback to offset earnings dilution from buying TCI. As it pays off, it no longer has to worry about the ownership, corporate governance and transfer pricing issues a tracker would have raised. As a result, it can concentrate on integrating a string of recent acquisitions. That should make it easier to reap cost savings and, eventually, to offer customers the holy grail of bundled services.

BTR/Siebe

Those romantic BTR shareholders who were hoping that a mysterious suitor would appear in time to save the engineer from a less-than-perfect marriage to Siebe look likely to be disappointed. The US and European controls and automation groups once tipped as potential counter-bidders have had almost three weeks to consider the merger documents, but have shown no sign of interest.

Shareholders in both companies must now lodge their proxy votes by Monday, in time for Wednesday's meetings. Philips & Drew has accepted Siebe's offer for BTR, one of the biggest and longest-running disappointments in its portfolio, and other BTR shareholders should follow suit. No-one would claim that Siebe is paying a generous price, but

THE LEX COLUMN

Back-tracking

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Clearly, this is not a company in distress. Its returns on capital are decent, it is well regarded for its cost control and cash generation. But does it have the culture? It may, in any case, have missed the boat in the US, where a big infrastructure spending programme has pushed up asset prices.

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then no rival has been prepared to pay any premium for the group. BTR's shares are now 25 per cent above their, albeit dismal, pre-bid level, and investors know that they would quickly sink back were the merger to fail.

Siebe's investors have been given little choice but to accept. The deal has shown up the threat to Siebe's organic growth, but turning it down would not solve that problem.

Siebe's efforts to sell the deal to an overwhelmed investor base have been low-key, but few shareholders will risk undercutting management by voting down this plan. Siebe's shares have risen just 6 per cent since the deal, missing out on the market's rally. Although its investors look likely to wave the merger through, they can be forgiven for doing so through gritted teeth.

UK

It was not just communism that ended up under the rubble of the Berlin Wall. A decade on, and RMC's German business, some 30 per cent of group sales, is a mess – more building site than building site.

The German construction boom,

fuelled by tax breaks to smooth unification, was due a bust. RMC now

knows about the pain of getting the cycle wrong a like-for-like fall-off in

concrete and aggregate volumes of

20 per cent in the second half of the year. Brave souls are predicting sta-

bilisation in 1998, but it could well

take longer.

Turn it will, and, as RMC points out, the German construction mar-

ket is vast. But it is also mature,

estimated at some 10 per cent of

gross domestic product. Germany

may simply not be where RMC's

growth prospects lie. For the next

few years, the US – or perhaps Asia

–

fishes up.

Marston's audacious plan, which

has Bass's backing and the likely

support of Nomura, cannot be dis-

missed. Its offer has a slight edge

over its rival's bid. But if Wolverhampton & Dudley Breweries can

find more cost savings than its origi-

nal £12m (£10m), and add at least 5

per cent to its terms, shareholders

would be faced with a straight

choice between two managements

with different strategies. On the one

hand, Marston sensibly wants to cut

brewing capacity. On the other,

Wolverhampton & Dudley Breweries can

play in the 1990s.

The snag with the Pac-man

defence is its impact on the com-

panies' valuations. Marston's ability

to launch this bid owes much to the

boost given to its own shares by

Wolverhampton & Dudley Breweries

can take premium – which in turn inflates

the value of Wolverhampton & Dudley Breweries' bid for Marston.

Whatever company wins will have

its work cut out to support such

valuations once the deal is com-

pleted. Unless shareholders in either

company feel passionately about the

relative merits of one or other strat-

egy, they would do best to sell in the

market before the "game over" sign

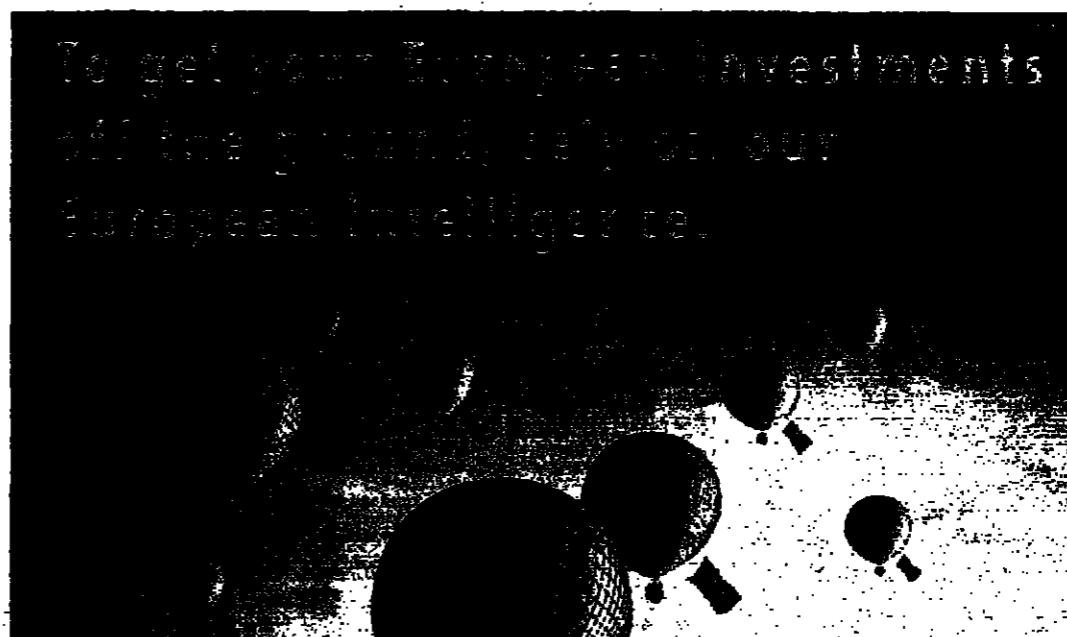
fishes up.

Weather

Europe today

It will be very cold in the north-east and across Scandinavia, with snow showers and sub-zero temperatures. Rain in the north-west will spread south into central areas, turning to snow as it gets colder. Showers will follow and turn more wintry later. The Iberian peninsula will be wet. The Mediterranean will be mostly dry and warm with some sunshine. Snow will move into south-eastern areas, turning to rain for a while.

Five-day forecast
It will be wintry across most of northern Europe with snow showers. In central areas, there will be steady snow for a time. The snow will move into eastern areas by midweek. North-west Europe will turn milder by the end of the week. There will be heavy rain in the central Mediterranean, but the east should stay fine until late in the week.



Investing with confidence in Europe's markets

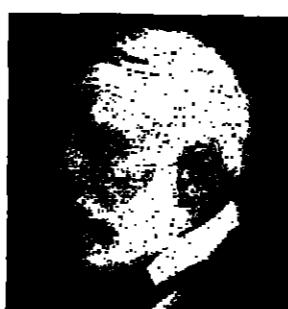
Foreign direct investment and a foreign-portfolio diversified investment are now prepared us for EMU and the exciting opportunities it will create. To take full advantage of the huge investment potential a single market offers, we've launched four new Mercury Selected Trust funds: Euro Markets Fund, Euro Global Balanced Fund, Euro Short-Term Global Bond Fund and European High Yield Bond Fund. Our unrivalled European record of ten funds will benefit from an extensive primary research and proven decision making process. And being managed by one of the world's leading European investment banks, our funds have been invested high flew. So if you want to know how your investment in Europe could really take off, contact your financial adviser or call us now. Mercury Asset Management Ltd is a subsidiary of Merrill Lynch & Co. Inc., one of the world's largest fund management groups with over US\$450

tracking



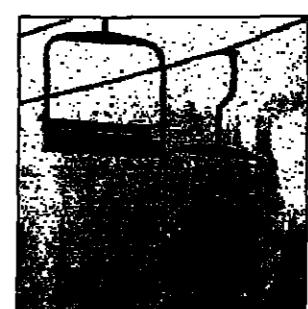
End Game

'The greatest variety of threats to human survival stems from our own technological prowess, and love of war'



Robber baron's gift

'Why did a man who spent his life ignoring public opinion leave his precious collection to the nation?'



Good grooming

'Artificial snow and sunshine cheered up skiers - many of whom seem content to ski Beaver Creek and Vail'

Page XII

Page V

Page XV

A watery grave for the truth

Nicholas Faith asks whether all the facts about the sinking of the Estonia will ever be known

Dearth was actually a very nice place to be, a warm place, a lovely escape from the hell that was living at the time.

That's how drifting in a water-logged life raft in the middle of the Baltic in late September 1994, surrounded by dead or dying fellow-passengers from the doomed ferry Estonia, struck Paul Barney, a young English landscape gardener.

Barney was one of the 137 survivors from the 989 aboard. The casualty list - over four times greater than the Herald of Free Enterprise disaster in 1987 - made it by far the worst peacetime tragedy to strike a European ship since the Titanic 82 years earlier, and the biggest disaster involving Swedish citizens for more than a century.

Over the past 50 years there have been many disasters involving ro-ro (roll-on, roll-off) ferries. In February 1953, the Princess Victoria, a British ferry, went down in a gale off the coast of Northern Ireland, drowning 139 of the 182 on board. The cause, the failure of the car deck's bow door, was the same as that in many later disasters.

And outside Europe there have been many worse tragedies, most notably in the Philippines, an archipelago of 7,000 islands which depend for transport on usually badly maintained, almost invariably overcrowded ferries.

The worst recorded there was the Dona Paz, which sank in April 1987. The official death toll of 4,375 was a considerable underestimate, since the ferry almost certainly carried up to 800 unrecorded passengers.

But, especially since the rules were tightened after the Herald of Free Enterprise disaster, somehow no one expects tragedies such as the Estonia to happen in Europe, particularly because it was sailing to a port in Sweden, supposedly the most safety-conscious of countries.

Yet, in this instance, the Swedish authorities, together with the Finns and Estonians who were also involved in the decision, are seeking to cover the wreck of the Estonia with a cement overcoat, saying that it would not be seemly to disturb the bodies of the victims still on board.

Although the survivors have raised enough concerns to lead to a delay in the (literal) cover-up, rocks and pebbles have already been

dumped round the wreck as preparation for the cement.

If they are indeed followed by cement, as the authorities propose, this would leave unanswered for ever the vital question posed in a television documentary, directed by Jonathan Jones and Phillip Wearne, to be screened on Monday on Channel 4, and in a book**: did the Estonia sink as a result of a design flaw, as an official report stated, or, as seems equally plausible, as a result of weaknesses in maintenance, inspection and certification procedures, as indicated by two subsequent reports?

The Estonia was no ordinary ro-ro ferry but a symbol of the freedom of the newly independent Baltic States and the flagship merchant marine. It was therefore a politically sensitive vessel.

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PERSPECTIVES

The Nature of Things

A mysterious repulsion is blowing us all apart

Clive Cookson reports on a sensational development in cosmology

Albert Einstein proposed in 1917 that a repulsive force pervaded empty space and prevented the universe collapsing under its own gravity. After astronomers discovered in the late 1920s that the whole universe was expanding, Einstein renounced his idea as "the biggest blunder of my life". Now, 70 years later, it is beginning to look as though he was right in the first place.

The standard view of cosmology for several decades has been that the universe started life in the Big Bang about 15 billion years ago and that gravity has been acting ever since then to reduce the rate at which it is flying apart. The biggest argument has been about whether there is enough matter eventually to pull everything back together in a Big Crunch or whether the universe will expand for ever.

Over the past year, however, evidence has accumulated to show that, far from the expansion slowing down, a mysterious repulsive force is over-riding the

braking effect of gravity and pushing the universe apart at an ever increasing rate. If this is confirmed, it will be the most sensational development in cosmology for many years.

The evidence comes from two groups of astronomers who observe supernovae - violent stellar explosions - in distant galaxies. These turn out to be about 15 per cent farther away than they would be if the expansion were driven merely by the original impetus of the Big Bang.

The astronomers looked at a particular type of supernova which is believed always to have the same intrinsic brightness. It can therefore act as a "standard candle" whose apparent brightness as observed from Earth reflects its distance.

Although the required Type Ia supernovae are rare (only two or three explode per millennium in a typical galaxy), the astronomers managed to identify and analyse several dozen of them, through electronic searching techniques.

By comparing the distance of the supernovae with their "redshifts" - the speed at which they are moving away from us - it is possible to calculate how fast the universe was expanding at different points in the past. The results consistently show acceleration.

"What we have found is that a 'dark force' permeates the universe and has overcome the force of gravity," says Nicholas Suntzeff of the Cerro Tololo Observatory in Chile. "This is so strange and unexpected that it is only believable because two independent international groups have found the same effect in their data."

Astronomers are looking hard for flaws in the research. "We want to be sure we aren't being fooled by interstellar dust dimming the supernovae or stellar explosions that are somehow weaker in the distant past," says Richard McMahon of Cambridge University's Institute of Astronomy. "So far we haven't found anything to shake our confidence

but this is such an unexpected discovery that we'll keep looking for any loopholes."

Meanwhile theoretical physicists are trying to come up with an explanation for the cosmic repulsion. Einstein called it the cosmological constant, designated by the Greek symbol lambda, but to him it was just a mathematical "fudge factor" to make his relativity equations work.

One way of looking at lambda is as a huge reservoir of energy somehow locked up within "empty" space, which counteracts gravity on cosmic scales and pushes matter apart.

Because mass and energy can in principle be converted into one another, it is possible to compare the contribution of lambda to the energy balance of the universe with the amount crystallised out as matter (galaxies, stars, planet, quasars, interstellar dust and so on). A provisional estimate, on the basis of the supernovae research, suggests that matter accounts for only 30 per cent of

mass/energy, with lambda accounting for 70 per cent. For the past few years, astronomers have been looking for the universe's "missing mass" or "dark matter", because what they observe through telescopes and other instruments accounts for only a small fraction of what must actually be present, judging from the motions of galaxies through space. Now they must search for "dark energy" too.

Quantum mechanics provides a possible explanation for it.

According to this theory, space is far from empty even if it contains no conventional matter. On the smallest possible scales of distance and time - a billion billion billion times less than our everyday world - it is seething with "virtual particles" that appear and then vanish again. These could give space the springiness it needs to counter gravity.

But calculations show that quantum theory would provide far more repulsive energy than is observed. So the hunt is

on for any other explanations. Whatever mechanism lies behind Einstein's cosmological constant, its existence would seal the argument about the ultimate fate of the universe. There appears now to be no way in which everything can come back together in a Big Crunch.

Instead it will expand for ever, growing more and more diffuse. The universe a trillion years in the future, after the last stars have died, will be utterly cold and empty.

Demand for craftsman-built fishing boats waxes and wanes with the numbers of salmon on the Tay. Peter Rolt reports

At the age of 60, when most other people have thoughts of retirement, John Ferguson is happily building the traditional wooden boats used by salmon fishermen on the River Tay in Perthshire. Like many others, he had to make sacrifices when his children were small and he realised that his sacrifice would have to be boats.

He explains: "In 1960, when I finished my five-year apprenticeship, there were very few steady jobs in boat-building; I couldn't afford the uncertainty. So I took up renovating old houses and joinery work on new ones - along with work on the new motorways. Cutting up shuttering-ply for concrete motorway bridges was a far cry from my first love, which has always been boats."

For most of their married life, Ferguson and his wife have lived in a two-bedroom council house on the outskirts of Perth, Scotland. Twenty years ago, when his daughters had left home, he decided to risk taking up the craft for which he had trained in his teens.

In 1979, he rented a large building on an old pig farm at Stanley, about five miles away on the banks of the Tay, to begin his own boat-building and repair business. He still pays less than £100 a month for it. "I had to have somewhere cheap - I certainly couldn't afford Perth prices." He looked for no set-up grant, or even advice,

but used all his savings to get started.

"While I was working as a carpenter I was paying into a Save As You Earn scheme, which meant I had £2,000 to spend on second-hand machinery, such as a planer/thicknesser, a circular saw and a band saw.

"I started off building loch-fishing boats and sailing dinghies but Stanley is right in the middle of the Tay fishing area so I soon

found myself being asked to repair the boats used for rod and line salmon fishing."

The owners of fishing rights - private companies and hotels as well as estates, large and small - employ ghillie/boatmen who take fishermen and women out on their stretch of the river in boats which have evolved specifically for this purpose. Known as "cables", these boats would once have been used by the laird and his guests on just a few days every year, but now visitors

come from the world over and the boats are in constant use six days a week throughout the season - January 15 to October 15.

Soon repair work overtook loch boat building so he took measurements from an old cable lying on the river bank and began to build one from scratch. The Taymount Estate, whose own boat-builder was about to retire, asked Ferguson to build a sample cable. Orders followed from that and other

estates. The business built up gradually to a peak in 1995, when he was working seven days a week with a turnover of \$26,000.

Since then, however, orders have tailed off. Although the Tay is still one of the most prestigious salmon fishing rivers in Scotland, there has been a worrying decline in numbers of salmon. Net fishing on the Firth of Tay has been banned and proposals have been made for a curb on all

salmon fishing to help stocks regenerate. If the stocks continue to decline, a whole network of people will suffer - owners of fishing rights, hoteliers and their staff and the ghillie/boatmen. John Ferguson is among the hundreds who are anxiously watching developments.

"I regularly take my boats to game fairs and boat festivals where they attract a lot of interest but not enough orders," he says.

Tay cables are tradition-

ally built of larch planks on oak frames; their most distinctive feature is that they are built without a keel which would snag in shallow parts of the fast-flowing river. They are 16ft long and with a draught of only 6in to 8in, highly manoeuvrable even with three people in them.

"I have never felt any compunction about altering a boat to the requirements of the boatmen, who tell me that each has its own char-

Minding Your Own Business Going with the flow



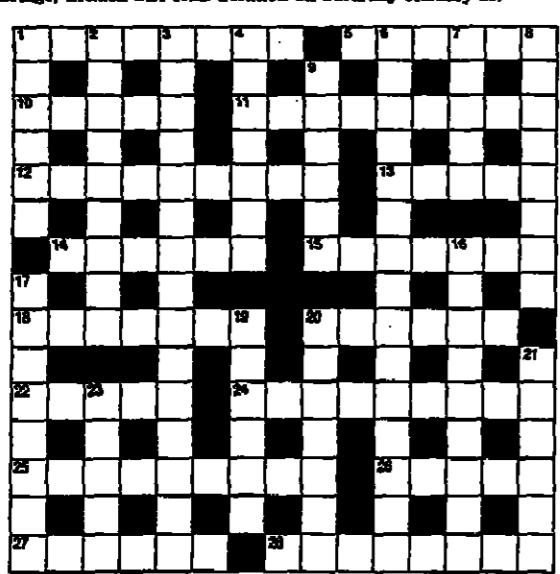
John Ferguson: "I must be doing myself out of a job because cables are only expected to last about 10 years."

Peter Rolt

CROSSWORD

No. 9,883 Set by CINEPHILE

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ercu Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday January 20, marked Crossword 9,883 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 23.



The solution to the Christmas Crossword and names of winners are on Page XVIII.

BRIDGE

As the most important invitation event of the Macau International Pairs - approaches, Zia Mahmood is once again peaked at the right moment. This time, playing with Howard Weinstein, he scooped the Blue Ribbon Pairs, one of the top events on the US circuit.

N ♠ A Q
V ♠ J 6 5
+ K 7 6 2
+ 6 5 3

W ♠ 10 9 4 3
V ♠ 8 7
+ K Q 10 4 2

+ A ♠ + 10 9 4 3

+ K Q J 8 4 2
+ 10 9 8

S ♠ 4 K 9 7 6
A ♠ 3
+ Q J 8 5
+ A ♠

Dealer: N Love All

North East South West

NB NB 1S 3C

Dbl

West's 3C was a pretty strong weak jump overall,

and North's double was nega-

tive style, possibly promising

four hearts, but defi-

nately showing about nine

points or more without sup-

port for spades. Sitting

South, Mahmood decided

that, without a fit in spades,

game was unlikely, so he passed and tried for a meaty penalty.

The defence would have to be accurate - and it was. North led A4 - but, seeing dummy's doubleton spade and two significant trumps, he switched to a trump at trick two to cut out any spades ruff for the declarer.

Declarer led a trump lead, keeping control of the suit. When declarer led his other spade from dummy, Mahmood hopped up with his K4 - crashing his partner's Q4 - and he then cashed A4.

North had led A4 and had then followed low, the pater indicating three trumps, so Mahmood was able to cash J4 and lead a fourth round for North to ruff. Together with A9, North-South collected six tricks and 300 points, giving them a score of 95.5 per cent on the deal.

Notice that if South wins the club switch with A4 and continues trumps, North never receives his spade ruff.

The resulting 100 points for one off would have been worth virtually nothing.

For further details on The Macau International Pairs, call 0181-572 5344.

Paul Mendelson

Many of the UK's best chess players, past and present, have been Oxford graduates, so last month's Oxford international, for which a local patron donated £10,000 prize money, was an important and a welcome venture.

Cambridge University stages an open-to-all weekend congress on February 6-7 (details from Sam Eissen on 01223-509787).

Julian Hodgson, the England No 9, took first prize on tie-break from Johnny Hector of Sweden, but it was a local pair, who stole the show. Sister and brother Harriet and Adam Hunt were first and second in the master group.

Harriet, the 1997 world girls' champion, also made virtually sure of her master title at men's level, only the second such achievement by a UK woman. England has few girl players but their results are exceptional, with three Fide world titles in the last 18 months.

The best game at Oxford shows how an offbeat opening with b6 can unsettle even a strong grandmaster.

White's f3 lures the black queen to an exposed central position which proves more significant than White's inability to castle (M Turner v E Satovsky).

1 e4 c5 2 g3 d5 3 cxd5

Qxd5 4 Nc3 Bg4 5 Bg2 Qd4

4 Kf1 Nc6 7 b3 Bb5 5 d3

0-0-0 9 Be3 Qd6 10 Nbd2 Nc4

11 Rb1 Qa6 12 b4 Qa5 13

Bxd4 cxd4 14 Ra1 Qb4 15 g3

Bg5 16 Bxg7 Kh8 17 Nc3

Qxb4 18 Qa1 Nf6 19 Nxe4

Bd4 20 Bxd4 Nxe4 21 Nc6+

22 Qe7+ Qb7 23 Qa5+ wins.

No 1265

This is a very tricky variation from the game Vladimir Kramnik v Peter Leko, Tilburg 1998. White (to move) is well down on material and threatened with Qe7 mate, but what should be the

result with best play?

The outcome only needs four moves to demonstrate but requires a very precise choice of moves for both sides.

Solution, Back Page

Leonard Barden

Naïve faith in

labour

by

John Ferguson, 95 Strathmore Road, Perth, Perthshire PH1 2NA; tel: 01738-626656.

Photo: G. H. Smith

Illustration: G. H. Smith

Design: G. H. Smith

Photograph: G. H. Smith

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Photograph: G. H. Smith

PERSPECTIVES

Conversations with the FT Nobel voice speaks out for the wretched of the earth

José Saramago refuses to allow his powerful moral concerns to be muffled, says Peter Wise.

José Saramago, the Portuguese novelist awarded the 1998 Nobel prize for literature, wants to stop the world for 50 years. At 76, he is not anxious to leave, nor, as an ardent communist, is he averse to progress. He simply suggests a pause so that humanity can try to find a better balance.

"We should be able to find the courage to say that the stage of development we have reached in the west is good enough for now," he said during a recent visit to Lisbon. "Let us devote all our energies for half a century to helping the millions of people who have been left behind to catch up."

Single striking ideas such as this are at the heart of almost all Saramago's works, engaging the reader with powerful moral questions and disquieting ironies.

"Each of my novels and plays is built around a strong idea. When I start writing, I know exactly where I am going."

Blindness (Harvill Press, £3.99), his latest work to be published in English, is an unsettling allegory in which an inexplicable plague deprives every human, except for one woman, of sight. A blindness to reason, Saramago believes, has produced an absurd world in which the suffering of the poor is ignored by rich nations pursuing ever greater wealth.

"Is it not absurd that, the US dispatches a spaceship to bring back rocks from Mars, but sends only three or four helicopters when a natural disaster strikes Central America?" he asks. "A world in which fewer than 300 people own as much as the poorest 40 per cent is a great achievement."

The questions that Saramago poses in his writing are equally discomforting, and some have sought to muzzle his disturbing voice.

In 1992, an official in the then conservative government of Portugal excluded his novel, *The Gospel According to Jesus Christ*, from consideration for the European Fiction Award. The book, in which a troubled Jesus questions his role, was consid-

'Let us devote all our energies for half a century to helping the millions who have been left behind'

tured offensive to Roman Catholics.

In response, Saramago moved to Lanzarote in the Spanish Canary Islands, where he lives "in exile", as he only half-mockingly describes it, with his second wife, Pilar da Rio, a Spanish journalist.

"I left Portugal because an act of censorship was committed against one of my books by specific individuals and a particular government. I did not feel at ease," he says. "But that hasn't affected my relationship with Portugal. This is my country, my language, my history. Wherever I am, I remain a communist Marxist."

"In spite of the errors and the crimes committed by communist regimes, I continue to believe deeply in the basic virtues of human solidarity and respect for others. A time will come when people will reconsider the doctrines that have today fallen into disrepute. There will be new interpretations and new experiences. We will have to be careful not to make the same mistakes," he says.

"There will always be people who criticise me for ideological reasons or because they are, let us use the word, envious. But the attacks on me are insignificant compared with the enthusiasm that has greeted the Nobel award. What matters to me are the ordinary people, some of whom can't even read, who come up and say 'Thank you'."

Saramago is himself of humble origins. His family moved from a small village to Lisbon when he was two. He worked as a mechanic, studied at night, and later became a translator and a journalist. Apart from an unsuccessful novel published in his youth, his first work of fiction, *A Manual of Painting and Calligraphy*, was not published until 1971, when he was 64, and earned only minor recognition.

Born in 1922, when Saramago became a Nobel laureate, the Socialist government renamed the local secondary school in his honour.

Saramago's political views do not make him an easy figure for upholders of the status quo to embrace. At the glittering Nobel award ceremony in Stockholm last month, he used his acceptance speech to denounce governments and big business for failing to protect human rights. Multinational companies rule the world, he

says.

The practical obligations of the Nobel prize have inter-



José Saramago: "Is a world in which fewer than 300 people own as much as the poorest 40 per cent a great achievement?"

Bengt Evensson/AP

rupted Saramago's work on world will be drawn to a novel to be called *The Czar*, partly a modern interpretation of Plato. "I haven't written a line since the award was announced in October." Otherwise the distinction, which brings with it the sum of SKr7.6m (£576,000), will not change him a jot, he insists.

However, as the first writer in Portuguese to receive a Nobel prize, he does feel a responsibility to his language and the literature it has produced.

"Through me, the eyes of the authors writing in Portuguese in Brazil, Mozambique, Angola, Portugal and other countries."

The award is seen as a long overdue recognition of the riches of 20th century writing in Portuguese, the world's seventh most widely spoken language.

Giovanni Pontiero, the late translator of most of Saramago's works into English, has testified to his extreme concern with language.

"Portuguese, like Spanish,

clarity or precision. To give the same attention to language as any craftsman gives to his tools," says Saramago. "No one can achieve mastery of all the words that exist. But the more I enrich my vocabulary, the better I can express, with greater precision and greater subtlety, what I have to say."

Without any loss of clarity or precision about what effect the impoverishment of language might have on thought and feeling.

"In the field of emotions, one of the words least used today, at least in Portugal, is 'love,'" he says. "People say 'I like you' or 'I fond of you' and the young have their own expressions. But if we lose the words, may we not also lose the feelings and emotions they represent?"

Ethics Today

Naïve faith in fat new friends

By cosying up to business, Labour risks a scandal of real substance, says Joe Rogaly

CHESS

You may not believe this, but certain ministers in Britain's New Labour government are vain, devious, even ambitious. Some of them whisper critical remarks about their colleagues. These noble administrators have aides who support them, occasionally by telling fairy tales about their rivals.

As we know, such reprehensible behaviour is never observed in other countries. French, German, and American politicians all abide scrupulously by the rules of fair play. No thought of seeking advantage over their colleagues ever passes through their pristine minds. There is no scramble up and down the greasy pole in Paris, Bonn, Washington, Rome, Madrid, New Delhi...

Pull the other one, you say. Seekers after office are the same everywhere. They lie and cheat when they have to, protest their innocence when found out. Straightening my face, I agree. The midwinter holiday season headlines in the British press tell us merely that Britain's Labour ministers are politicians. Yet Tony Blair seems worried. He need not bite his

nails for long. Like other meaningless fuses got up by the media on both sides of the Atlantic this one will doubtless be shrugged off by most voters. Their minds are not focused on ordinary political fighting.

There are more serious matters upon which the prime minister might reflect as he returns to his desk this week. The one that holds the greatest potential for further trouble for New Labour is the relationship of his government with business. It is too close. The converts from socialism are displaying a naïve faith in their fat new friends. There have been casualties already. Unless he is careful Mr Blair himself will eventually be hurt.

This is not an anti-capitalist bleat. It is simply an affirmation of the sensible rule that good government properly distances itself from all interest groups. This should apply to every polity, including the US and the social democracies of continental Europe.

Admittedly, not every one of them is perfect, but that is beside the point. In Britain the lesson is yet to be learned. A touch of history should do the trick. Like other parties of the left, Labour was once closely entangled with the trade unions. I can remember a time when ministers

Companies serve their shareholders, governments serve everybody

party of business, like the Democrats in the US.

Mr Blair was quite right. His party needed repositioning. It could not hope to win if it remained hostile to private enterprise. A dynamic economy could not function well unless the government remained conscious of the need for a business-friendly environment.

This meant keeping taxes low, minimising regulation, and checking all new legislation for its effect on investment and profitability. It also meant the aban-

donment of Old Labour rhetoric, for example, less mumble about the "obscenity" of profits.

So far, so reasonable. New Labour has, however, done more than that. It has fostered public-private partnerships, deals that bring in capital without guaranteed future income streams. Prominent businessmen have been invited to join the government.

Companies have been tapped for sponsorship of favoured projects, such as the millennium dome, that vast, empty marquee dedicated to the servants of Mammon. Meanwhile, ministers stand ready to take calls from business clients, as they once did from trade union leaders.

There is nothing wrong with any single item in the above list. Put it all together, however, and you have a minefield. Companies enter into partnerships with the public sector to make money. That is their primary job.

When this spare executive or that chairman serves the administration he or she hopes at the very least to make useful contacts. Sponsors do not sponsor out of the goodness of their hearts. Calls are not made on top officials merely to pass the time of day.

It is plain that the chances of something going

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PERSPECTIVES

Twice-dead poet of the Russian revolution still awaits a rebirth

Vladimir Mayakovsky died in the service of communism. Paul Neuburg argues for a recognition of his greatness

Vladimir Mayakovsky, arguably the greatest revolutionary poet of the 20th century, died twice. Following his second death, while turning in his grave, he was more alive to the people of his country than he had ever been before his first. And the way they feel about him now could spell his third demise.

Mayakovsky committed suicide in 1930. Self-murder had featured several times in his conversation and in poems going back to 1916. But just when it actually happened was all-important.

"You may say that his suicide was one of those rare acts of definition in history, which strips clean a whole era, and lays open the future mercilessly," says Patricia Blake, associate of the Harvard Russian Studies Centre, and editor of a collection of Mayakovsky's translated verse and his satirical play, *The Bedbug*.

"Here was a poet who had tried to place his supremely individual gifts at the service of a collective society, and he now lay with a bullet through his heart."

The crisis that entrapped Mayakovsky in fact sprang from the issue at the heart of the whole history of communism and the arts. This concerned the realisation of its key aim, which was to reshape people's minds so they would join in reshaping the world.

But trying to pull this off turned out to demand, in the first place, a particular shaping or reshaping of the artistic style and agendas and sometimes egos of the writers and artists involved.

The drama of this process took the form in 1920s Russia of a fierce struggle between the Communist avant-garde and the so-called proletarian groups of writers and artists.

In this, contrary to widespread belief, the avant-garde was in trouble long before the party weighed in. It believed in creating a new world by liberating the human psyche through art. The main problem was incomprehension on the part of the masses which the avant-garde sought to reach.

Writing in 1918 to the journal of the Commissariat of Education, run by Mayakovsky and the Futurists, Marc Chagall, then commissar of culture in Vitebsk, complained that when he had local futurist painters decorate the city with their work for the first anniversary of the revolution, the response from workers was: "What's this? Please explain. Is this art?"

The proletarians - whose name sprang not from their origins but from their professed aim to create a new art that served the working class - laid stress on an

accessible style that drew on the Russian tradition. And cultivating themes close to the experience of their intended audience, they thrived.

Among the avant-garde, it was Mayakovsky, originally a magnificent lyric poet much valued by his contemporaries, who sought above all to break through to the masses by radical shifts in the style, content and range of his work.

In 1919, he published *150,000,000*, a poem on the civil war in the tradition of a Russian folk epic and considered among his finest post-revolutionary works, not just anonymously, but with the opening lines naming the Russian people - the hero in the title - as also the author.

The same year, he went to work for the Russian Telegraph Agency on agitational posters and poems, which he designed and wrote for the next three years. This was followed by a period of doing the same kind of work for state enterprises, battling for customers in the free retail market born of Lenin's New Economic Policy.

Typical was the verse, with a punchline he used in all his advertisements for the state grocery concern, Mossepprom, which read: "Cooking oil! Attention working masses! Three times cheaper than butter! More nutritious than other oils! Nowhere else at Mossepprom."

Mayakovsky saw this not as just a way of making money, but as work in service of the cause, and the promotional poems not as doggerel, but the stuff of pride. Nothing he did, however, including his long eulogy of Lenin on the leader's death in 1924, and his epic celebration of the Bolshevik Revolution on its 10th anniversary in 1937, stopped the party on him, mainly from the proletarians, for being an individualist remote in his concerns and style from the masses.

If Mayakovsky worked hard to reconstruct himself, what brought him down was mainly the effect of the proletarians taking the effort into their own hands. In the so-called cultural

A year after the first arrests of Stalin's Great Terror, this set off a canonisation such as no other



Posters for the communist customer: Vladimir Mayakovsky, in two 1924 portraits, with examples of his copy for the state grocery concern, Mossepprom, advertising cigarettes, top and bottom, and for a Mossepprom cafeteria, centre

Museum of Modern Art, New York

poet in history has enjoyed. A

square in Moscow and a Metro station there were built up named after Mayakovsky, with his prophetic statue to dominate the first and his huge head the second, followed by streets and squares across the land, as well as locomotives, tractors, tanks and a minesweeper, and Pioneer, Komsomol and shockworker brigades, while his communist poems took pride of place in the educational canon and in the repertoire of school and enterprise celebrations.

Boris Pasternak who, while rejecting his political poetry, had been a good friend of Mayakovsky's and spoke of his lyric verse as "poetry moulded by a master, proud and demonic and at the same time infinitely doomed", called this process the poet's second death.

But the rebel returned. In the late 1930s, crowds of young Russians began to congregate at the

foot of his statue in Mayakovsky Square, and recite his poetry as songs of protest.

"Out of all the officially

approved classics, he was the

only one different," says Andrei Zorin, Moscow critic, and chair-

man of the 1998 Russian Booker

Prize judges. "But literature was

push for liberalisation in the face of a still overwhelmingly Stalinist system harked back to Lenin

and the early Bolshevik years, with Mayakovsky and the avant-

garde the embodiment of their

appeal. This could bury Mayakovsky

which surrounds him now. "Maya-

kovsky, as well as his heirs like Yevtushenko, are out of fashion,"

says Zorin. "Their whole tradi-

tion now seems artificial."

The oppositional wave, how-

ever, went on to engulf Mayakov-

sky himself.

The Rebirth of Mayakovsky,

written in the 1980s by Yuri Top-

chiesky - significantly, a mem-

ber of the generation that had

gathered under Mayakovsky's

stature to protest - but only pub-

lished after Mikhail Gorbachev's

period of Glasnost, attacks the

poetry it spawned. By then, the

idea that the evils of the Soviet

system were rooted in Lenin and

Bolshevism itself, had taken

hold, and Mayakovsky had come

to seem the troubadour of a

disaster for Russia.

Maybe worse for Mayakovsky

than the striking hostility this

writer should choose to write US

fiction. But Connolly says it is part of a well-established tradition.

"You've got people like John Ford, who was to all intents and purposes Irish, creating this myth of a [American] West he had never seen. Throughout Hollywood history, you have these emigre European directors coming in creating these wonderful visions of Americana."

Connolly jokes now that he had

to turn to the *Writers and Artists Year Book* for advice on how to

get a publisher. He first submitted sample chapters to 30 literary agents and publishing houses.

He was flatly rejected by six

publishers. One even added a

hand-written note at the bottom

of the rejection slip pointing out

why the novel was so bad. A year

later, the same publisher was bid-

ing along with others at auction

for the completed work.

Connolly received nothing by

way of advance. Indeed, his

agent, Darley Anderson, advised

him to hold out until he had com-

pleted the book.

"Our whole relationship was

conducted on the phone until

September or October of that

year, that for seven months I

was sticking with the word of

someone I had never met. I just

bundled all the money I had into it. I took out loans. I extended my

credit card."

He made one final six-week trip

to the US to pin down the miss-

ing research. "I even dragged my

poor girlfriend around New Orle-

ans at the height of summer."

As a result of the hype, a lot is

expected of the novel. In an un-

usual move, the publishers are

offering to refund the £10 price if

since *Silence of the Lambs*".

This reader was not dis-

appointed.

Swept



John Connolly: as for the killer's gruesome methods, 'What you see is the aftermath of violence. I never describe crimes being committed' Robert Alan Photography

Times job. He filled dozens of

notebooks with sketches of dia-

logue caught on buses or in bars.

On other occasions, the ideas

were recorded on whatever was

hand - a zoo ticket or a torn-

out page of a telephone directory.

"As a journalist you're used to

going in in the morning and not

knowing anything about a sub-

ject, and looking intelligent the

following morning when it

appears in the paper. It's been

said that one of the great curses

of a young writer is that you

write what you know. But actu-

ally if you do enough research

you can know about anything."

He became an expert on US

firearms, on policing, and on the

flora of the Louisiana swamps.

Authenticity - not so much plau-

sibility - is the work's hallmark.

Researching a setting, he would

try to find someone who knew

what the town was like when his

character was growing up.

"It's something you can't get

from a book. You have to find

someone who was there at the

time, who can tell you what

stores there were, when this bar

burnt down," Connolly adds:

"You should always write for the

one or two people who would be

able to spot your mistakes."

Completing the manuscript

was a sort of endurance test at

first. "It was conceived as some-

thing that I wanted to do for

myself. For two years it was just

something I did in the evenings

to amuse myself."

He says no one, apart from two

or three close friends, even knew

he was working on a novel. "I

think people who tell you about

their novel-writing aren't ever

going to write one. It's better just

to keep your head down and keep

quiet and just do it. I mean every-

one on a newspaper," has ambitions

BOOKS

The robber baron's gift

Why did coke king Henry Frick leave his art collection to the US nation? asks Richard Lambert

His portrait hangs in pride of place among his matchless collection of pictures. Painted some time after his death, it shows a gentle, courteous man, with a kindly expression and a well-trimmed beard. He stands a little hunched, looking rather diffident, even vulnerable.

This is the same Henry Clay Frick of whom a business partner wrote: "He was a thinking machine, methodical as a computer, accurate, cutting straight to the point... He had no friends and was a very unhappy man... was cold blooded, ignorant of everything except the steel and coke business... was cold and austere and unlovable even in his family; ruthless, domineering, icy."

There are two great questions about Henry Frick. How was it that a man who was regarded like this by even his closest associates came to build an art collection that is universally loved? And why did a man who spent his life ignoring public opinion leave his precious collection to the nation?

Neither of these themes,

in that great public building on New York's Fifth Avenue?

A new biography by a great granddaughter, Martha Symington Sanger, attempts to provide some of the answers. Drawing on family memories and private diaries and letters, she provides what is certainly a fresh perspective on a man who in most respects was one of the least attractive of America's late-19th century robber barons. Two main themes run through her story, one more persuasive than the other.

The first is that Frick's personal life was darkened beyond measure by the tragic and lingering death of a beloved young daughter. Foulant recollections of the child recur right through to his own final days. Sanger's second idea is that Frick's love of his paintings can be explained in terms of his memories and dreams. Almost all of them, she suggests, carry references to his own experiences, whether in similarities to the lost child, general family likenesses, favourite pets - just about anything.

On that occasion, Frick sent in 300 armed Pinkertons

against the disaffected work force: three of them died, along with seven strikers. Order was eventually restored with the help of 8,500 members of the Pennsylvania state militia.

Some of Sanger's theories about what Frick saw in his paintings are hard to treat seriously. Take as an example one of the greatest works of the collection, Rembrandt's "The Polish Rider". Not only does it apparently contain many references to early days in the coke industry and to Frick's interests as a Mason. We are also asked to believe that the rider himself is a dead ringer for another of his daughters, Helen. Fortunately, the book is beautifully produced, and contains more than enough gorgeous reproductions to compensate for these trials.

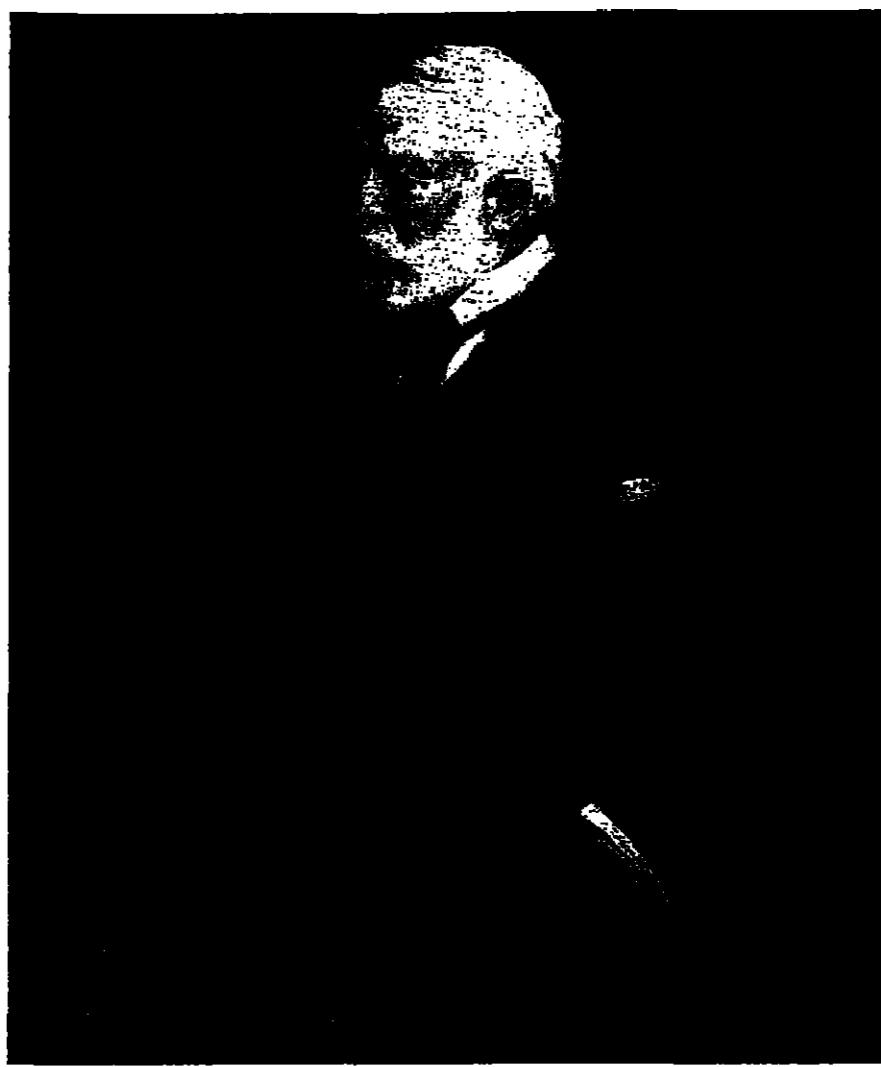
Sanger skims over how the paintings were acquired, and the extent to which Frick was influenced by others in his choices. She claims that he never liked the dealer, Joseph Duveen, and was so suspicious of him that he always had a secretary present to record every word of their meetings.

This seems rather improbable, given the degree to

which Duveen influenced the Fifth Avenue building: among other things, he chose the architect and the decorator, along with the paintings for the stunning Fragonard and Boucher rooms. What seems clear is that Duveen and others helped to shape Frick's enthusiasm, steering him away from an early interest in rather soppy French contemporaries towards the much more impressive - and expensive - old masters which we see today.

There is no doubt that he really delighted in the art that his immense wealth enabled him to assemble. Unlike most of the other robber barons, he did not look on his collecting as just another way of scoring points, a thing that people did when they had made enough money. And in the end, it was to transform the old boy, at least in terms of modern memory, into the gentle looking creature which visitors to the gallery see today.

In the words of Duveen's biographer, "Steel strikes and Pinkerton guards vanish, and he basks in another, more felicitous aura."



Cold, austere businessman with precious little joy in his life except his love of paintings: Henry Frick

Without the music, the Master is lost

Clement Crisp argues that a compilation of the lyrics of Noël Coward is a self-defeating exercise

Years ago I was leaving a theatre just behind Noel Coward. As he passed by, a theatrical lady darted forward and gasped "Good evening, Master". I half expected Coward to turn round and tell her that her faith had made her whole.

That Coward was a brilliantly gifted man of the theatre can never be in doubt, and the 1999 centenary of his birth will provide a proper occasion to place his several talents in perspective. But I am not persuaded that the lustre that surrounds his name - so eagerly burnished by Cowardolators who run the cottage industry that still flourishes in books and television programmes about him - can ever justify turning what was once a light-hearted tribute to his manifold abilities into a serious title.

Assembling what is, we are led to believe, the almost complete collection of his song lyrics is just one manifestation of this curious obsession. Barry Day has trawled theatre collections and delved deep in archives to find the least little lyric as well as the great hits. His book is handsomely designed, amusingly illustrated with photographs and drawings and pages of Coward manuscripts, from the earliest theatrical years (circa 1912) up to the last iconic images (Coward and Marlene Dietrich leaving a theatre and looking like glamorous tortoises).

His first lyrics date from 1916, and include the

unlikely "Baseball Rag", set to music by the repetitively named Doris Doris. His final verses were for a Broadway version of *Blithe Spirit* in 1964, a decade before his death. In the half-century that intervened he wrote some of the most beguiling and haunting of popular songs, and provided lyrics that, in a few and extraordinary cases, have entered the language and consciousness of our society. "Mad Dogs and Englishmen" is probably the supreme example.

NOEL COWARD: THE COMPLETE LYRICS Edited by Barry Day Methuen £30, 352 pages

But, and this is central to his success in the musical theatre, he was a melodist first, a versifier very much second. "Don't write all the lyric before the music," he advised Sandy Wilson. "The lyric imprisons the melody. Let the music be free." Divorced from their well-shaped, insidious tunes, his lyrics lie helpless on the page in - for the most part - sad disarray. To read, baldly, *Happiness that must die, / Melodies that must fly, / Memories that must fade, / Dusty and forgotten by and by*, is to miss everything that these words mean when they are rightly placed in the musical context of "I'll see you again". The melody carries everything on it, before it. Coward could dare to rhyme "moon" and "soon" because the music is there, really justification enough.

incompleteness, which stems partly from his author's (self-confessed) inability to imagine his Jewish synecdoche fully from the inside. But the imaginative deficit is nothing next to Updike's happy inability to deprive his protagonist of the astonishing, character-smuggling output of his (Updike's) own sensibility. His generalisations about human existence can be dazzlingly foolish ("all the forces that create us, in our instinctive self-approval, seem benign"). He does not show us the depth of life, in his foxy phrasal joy. But he is quite brilliant at the surface, a great lamentation of modern loss, of "orchards gone under to man's sweep upon in his own secular vision of nirvana, "the timeless bliss when pencil point touches paper and makes a mark".

It's good that he still has to write at least six more novels in order to complete the set of 26 (one for each letter of the alphabet) that he promised us - or rather himself - early in his career.

Fiction/Galen Strawson

Swept up in a secular vision of nirvana

Henry Bech (b. 1923) is a New York Jew, an over-interviewed and under-fulfilled novelist first imagined by John Updike in *Bech: A Book* (1970) - in which he was fed to the 1960s equipped with writer's block, thinning curly hair, selected modes of sexual regret, and a heavy schedule as cultural ambassador to Russia, Bulgaria, Romania, even Virginia.

In his first collection of stories, Bech was established as fundamentally sympathetic, mildly unprincipled, seriously woman-loving, curiously light of personality, and essentially incomplete - even in his self-concern.

He returned, as we thought he might, in *Bech is Back* (1982), to do time in the 1970s. More trips - to Ghana, Venezuela, Korea, Kenya, Tanzania ("Bech Third-Worlds It"), Australia, Canada, Israel, Scotland ("Macbeth") - more women, more block. A marriage entailed a move to Westchester County and stepfatherhood. There followed, at the end of the

decade, a late best seller ("Think Big"), sex with his sister-in-law (former girlfriend), marital separation, and reversal to the Upper West Side of his ancestors (at least one generation of them).

And that, we supposed, was the end of Bech, still childless, still unclear, a man made to amuse us, detached from life as if by tragedy but with no clear tragedy; a human being with a fluent sensibility harbouring an absence, hanging on to triviality in order to stay real, a thinned, WASP-crossed blend of Mailer, Bellow, Singer, Malamud, Roth, Salinger (Bech's own list in *Bech: A Book*: oddly he forgets Heller, with whom he shares time at NYU after the Second World War, under the aegis of the GI Bill).

So no one expected to hear more of Bech, least of all Bech: "For some years now

Bech had felt his author wanting to set him aside, to get him off the desk forever". But here is *Bech at Bay*, a "quasi-novel" in five time-slices that carries him way into the sixth age of man (on the Jaques index) and leaves him on the edge of Y2K, a first-time father at 75, a massively resented Nobel Prize winner whose quickfire "falling-in-love apparatus" (an interesting male trait from the point of view of evolutionary psychology) is still tiresomely operative.

Updike takes him up again in 1966, back behind the iron curtain in "Bech in Czech", more heavily aware of the Christian past and the Jewish dead around him; summing the "romantic vertigo" of solitary travel, a deposit box for details. The book then tracks him into his eighth decade, with a backflip to 1972 Los Angeles (Updike, prone to

anachronism, fills Venice Beach with rollerbladers) and a witty encounter with the villainy of the law, "so oddly swivelled in every direction but that of the simple truth".

By 1993 Bech is living funkily downtown in a loft on Crosby Street south of Houston, still paradoxically male, unreal about women ("you can, through chinks in the male armor, feel a fraction of the bliss that must tumble in upon them all day long"), writing polyedged tributes for *Festschrifts* as his contemporaries hit 70, then receiving them himself.

Eighty pages long, "Bech Presides" treats in equal measure of ageing artistic rivalries and "its pussy hips navel armips". Lovely. Updike seemed touched, in this clever olfactory story by hypersomnia, as Bech, beset by "whiffs", "aromas" and "smells", "scents sex" in

knows his time on earth is short. He is tired of the reviewers' "barage of querulous misprision". He is growing more deeply irresponsible both physically and verbally, and he passes from the intention to the act without a shadow, dispatching two of his unforgettable critics with a septuagenarian malice that thrills Robin, his "post-Jewish" mistress, one-third his age, into active collaboration, serial orgasm, and gelatinous-eyed broodiness.

Hence baby Golda, filling the Crosby Street loft with the "spicy smell of ochre babyshit" and delighting his eyes with her little "tooth-bothered mouth". She is eight months old in 1999 when Bech, in "Bech and the Bounty of Sweden", takes the Nobel Prize in the face of Mailer, Roth, and Ozick, not to mention Pynchon and DeLillo.

Updike fails us in omitting his own name from this *New York Times* list of the passed-over. (It has already featured in *Bech at Bay* in a list of Johns - Irving, Fowles, O'Hara, Barth, Hersey, Cheever, Updike - whose work Bech doesn't like). He should have named himself; it's not often that realism and cheek both indicate self-reference. It didn't require machismo, one verismo, and handsome-posed Updike, his movements of excess so knowing and controlled, his half-true epigraph from Wallace Stevens -

"Something of the unreal is necessary to fecundate the real" - taking a page to itself at the front of the book, was well covered. It is open to him to reply that it was the omission of his name that was unreal.)

Bech's years mask but do not fill his younger

BOOKS

The Nile, via the Mountains of the Moon

A fascination for the Victorian adventurer Sir Richard Burton sent Christopher Ondaatje on a journey of discovery

"His dress and appearance were those suggesting a released convict... a rusty black coat with a crumpled black silk stock, his throat destitute of collar, a costume which his muscular frame and immense chest made singularly and incongruously hideous above it a countenance that was most sinister I have ever seen, dark, cruel, treacherous, with eyes like a wild beast's. He reminded me of a black leopard, caged, but unforgiving..."

Wilfred Blunt, describing Sir Richard Burton

For over a quarter of a century I have been fascinated with Sir Richard Burton, the great Victorian adventurer. His very name conjures up images of adventure, and he seemed to have lived the life I always wanted to lead. Eventually, Burton's search for the source of the Nile with John Haning Speke contributed to his being the best-known traveller of the 19th century.

Burton was an outstanding orientalist, archaeologist, linguist, anthropologist, and a controversial diplomat. In over 50 books he covered an amazing diversity of subjects, and his translation of the *Arabian Nights* remains the most famous ever published. His remaining papers were burned by his widow, perhaps one of the most destructive crimes ever perpetrated on the literary world.

"I find my journal brimful of enthusiasm. Of the gladdest moments in human life, methinks, is the departure upon a distant journey into unknown lands. Shaking off with one mighty effort the fetters of Habit, the leaden weight of Routine, the cloak of many Care and the slavery of Home, one feels once more happy. The blood flows with the fast circulation of childhood... A journey, in fact, appeals to Imagination, to Memory, to Hope - the three sister Graces of our mortal being."

Richard Burton, Zanzibar.

In the late 1850s, I shed all my business interests and embarked on an enigmatic life of adventure and writing. Since then I have written four books, and the latest, *Journey to the Source of the Nile*, traced journeys of the mid-19th century explorers who strove to solve the riddle of the world's longest river. Where did all this water come from?

Europeans knew little about

from Kazez (now Tabora), and changed history. On August 3rd 1868, Speke reached the summit of a hill near present day Mwanza, and wrote: "I no longer felt any doubt that the lake at my feet gave birth to that interesting river (the Nile), the source of which has been the subject of so much speculation, and the object of so many explorers."

But were Speke's claims that Lake Victoria was the source of the Nile accurate? Where did the Ruwenzori Mountains, the famed Mountains of the Moon, fit in? And what about Samuel Baker's claims about Lake Albert? Where did all the water for these two significant lakes come from? What about the Kagera and Semliki rivers? There was only one way to find out.

And so, armed with the journals and maps of all the Victorian explorers - Burton, Speke,

Grant, Baker, Livingstone and Stanley - I set out in 1996 with four intrepid Tanzanians to trace the Victorian explorers' journeys and to settle the Nile for myself, just as 140 years ago each of them had set out to do. I had no idea what I would find, but I knew instinctively that more than a river had been born in the geological cradle of the Nile.

What I quickly realised was that I was not only stepping into a giant jigsaw puzzle created by my predecessors, but I had to subject myself to all the horrors that the European scramble for Africa eventually caused: refu-

ges; bandits; the rise of Islam; the rise of tribalism; new attitudes towards Christianity; the blurring of white man's boundaries; and the stark realisation that I would have to step over the line into territories that even the 19th century explorers had failed to enter.

In Kampala, I found a hidden diorama illustrating the drainage of Uganda. The accompanying information fascinated me: it explained something of how plate tectonics affected the Nile, first seriously proposed only in the 1960s and not generally accepted until the 1970s. Then oil explora-

tion in and near Egypt provided startling evidence of the Nile's early history. Of course, none of this information was available to the Victorian explorers.

Over millions of years, rift valleys formed in Africa as land sank between parallel faults. This pushed the edges of the rift valleys up into escarpments. Lakes formed in the bottoms of the rift valleys, collecting water that used to drain away to the west. The rifts also formed a shallow bowl around what is now Lake Victoria. Rivers that flowed west, notably the Katonga and the Kagera, now flowed east, fill-

ing the depression. Then, about 12,500 years ago, the waters of Lake Victoria found a low point at the north edge of the basin and finally established, at Ripon Falls, a permanent outlet down to the western rift valley at the north end of Lake Albert - and a connection to the Nile.

This phenomenal information solved several puzzles for me. Speke's claim that Lake Victoria is the only source of the Nile is wrong; but it is one of the two great reservoirs, the other being Lake Albert. And the rivers - the Kagera feeding Lake Victoria, and the Semliki feeding lake

Leakey's amazing discoveries in Olduvai Gorge in 1959 led to this theory, which now views Africa as the cradle of the human race. Thus, the evolution of our ancestors may well have been triggered by the very same geological events that formed the present headwaters of the Nile.

I now know that Africa will always be a mystery. And the Nile, just when it seems to have revealed all of its mysteries, will, I am certain, suddenly find a way to puzzle us anew.

* Christopher Ondaatje is the author of *Journey to the Source of the Nile* (HarperCollins World, £20).



When the fun threatens to become too fast and furious, the song dies, and the performers, with loud shouts of laughter, throw themselves on the ground, to recover strength and breath: Sir Richard Burton describing the inhabitants of the Lake Region of central Africa, pictured above

Albert - are the two main sources draining the watershed of the Burundi Highlands and the Ruwenzori Mountains - the Mountains of the Moon.

In terms of time, our safari measured months instead of the years it did for the Victorian explorers. In terms of distance travelled, however, we had done quite well. It was the journey Richard Burton should have made. We had covered a total of 10,024 kilometres - roughly equivalent to one-fourth of the world's circumference at the equator - and one and a half times the length of the Nile. We had traced the routes taken by the greatest Victorian explorers. We had followed the trail of Burton and Speke's 1867 expedition from Zanzibar across Tanzania to Lake Tanganyika. We had re-travelled the route of Speke and James Augustus Grant along the western and northern rim of Lake Victoria to Ripon Falls and

I now know that Africa will always be a mystery. And the Nile will, I am certain, suddenly find a way to puzzle us anew

the start of the Victoria Nile. We had followed Samuel Baker's journey along the Victoria Nile westward to Murchison Falls and Lake Albert. We had reached the Ruwenzori Mountains, the legendary Mountains of the Moon. We had seen the Semliki River and Lake Edward and Lake George, as Henry Morton Stanley had. Finally, we had finished circling Lake Victoria through Kenya, travelling southward along the eastern shores to Mwanza for a second time.

There was one more startling revelation to come, however. Driving south from Loliondo across the great short grass plains of the Serengeti, we passed through Olduvai Gorge. About 2m years ago there was a large shallow lake here. Rift-related faults released the water. Savanna-adapted animals replaced swamp animals. Fossils of three hominids have been found in the gorge. It is possible, therefore, that the stream of humanity may have a single source in this and similar parts of Africa forced into the rain shadow. The latest (and ongoing) rifting process altered the climate of this region, allowing new species to evolve under the pressure of natural selection. To the west, forest remained, but the area to the east became savanna. The precursors of homo sapiens were forced to devise new ways of surviving. Mary Leakey's amazing discoveries in Olduvai Gorge in 1959 led to this theory, which now views Africa as the cradle of the human race. Thus, the evolution of our ancestors may well have been triggered by the very same geological events that formed the present headwaters of the Nile.

I now know that Africa will always be a mystery. And the Nile, just when it seems to have revealed all of its mysteries, will, I am certain, suddenly find a way to puzzle us anew.

* Christopher Ondaatje is the author of *Journey to the Source of the Nile* (HarperCollins World, £20).

An everyday tale of Communist folk

This autobiography is all the more compelling for not being a heroic story, argues Stefan Wagstyl

Paul Lendvai is not the only central European Jewish writer to have lived through both Nazi and Soviet-inspired terror. Unlike some others, he experienced neither Auschwitz nor Siberia and he was spared the greatest horrors. However, his autobiography makes good reading: its value lies in Lendvai's ability to recall the everyday effects of totalitarian rule - and in his courage in admitting to his own weaknesses. This is not the tale of a hero, and is all the more compelling for that.

in one of the book's most painful passages, Lendvai describes how, as a young conscript in the Communist militia, he inadvertently betrays his sergeant to the secret police. As a journalist, irritated that

his conception had interrupted his career, he had teamed up with another journalist in his unit. It seemed to Lendvai that he had everything in common with this fellow intellectual, as opposed to the farmers and workers who made up the rest of the squad. However, one day, the unit's sergeant took Lendvai on a short walk and warned him that his journalist friend had in fact been assigned by counter-intelligence to spy on Lendvai.

The sergeant asked Lendvai not to share this news with anyone. But Lendvai did. He told the journalist-informer himself.

As he writes, "I have since asked myself time and time again how I could have been so stupid. I cannot reconstruct today what went through my mind at the time." Later, when Lendvai was himself arrested, a secret policeman told him that the sergeant had been "taken care of."

Lendvai, who subsequently worked as a

Financial Times

correspondent for 22 years, starts his book in 1944,

when the full force of Nazi

terror was launched on

Hungary's Jews. One moment he is a teenage boy supporting Ferencvaros, his football team, and the next he is staring death in the face. He was arrested and assigned to forced labour before he managed to escape and hide in Budapest.

BLACKLISTED: A JOURNALIST'S LIFE IN CENTRAL EUROPE
by Paul Lendvai
187 pages £14.50, £9.99

He survived, thanks to a protective passport issued by Carl Lutz, the Swiss consul, one of the four people to whom the book is dedicated. The others are three more savours of Budapest Jews - Giorgio Perlasca, an Italian businessman who passed himself off as a Spanish diplomat, Angelo Rotta, the Papal nuncio, and the legendary Raoul Wallenberg.

After establishing himself in Vienna as a specialist on central European affairs, Lendvai worked for the FT and other publications before becoming editor-in-chief of ORF, the Austrian Broadcasting Corporation. The book's post-1989 chapters are inevitably less dramatic; however, there is an entertaining passage on how he bought freedom to the west for his widowed mother by organising a night at a Vietnamese stripshow for a visiting Hungarian Communist official.

band of "enthusiastic fighters in the class struggle." Even when friends on the left were arrested and denounced, Lendvai says his own enthusiasm was unbroken. Others might be embarrassed to write so honestly about their faith in Communism in the light of what is now known about Soviet rule. Lendvai performs a service in bringing to life the spirit of the times.

He also deals well with the onset of disillusion, his own denunciation for "political errors", his expulsion from the Communist party and arrest. Despite his humiliation, he accepted re-instatement into the party because there was no other route to work as a journalist. After the tumultuous 1956 uprising, he had a decision to make and chose to flee to the west, like thousands of other Hungarians.

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The story itself is thin, the mere framework of a house without walls. What protects and insulates the house is an inordinate amount of neutral description: details of the landscape, regional flora and fauna, medicine, hunting, Italy during the second world war - you name it, the author has it covered. If the long, often superfluous descriptive passages were edited out, the novel would stand at a quarter of its present length. One has only to read the long list of acknowledgments to understand the extent to which Guterson drew on the expertise of researchers and specialists to bolster his story.

I am by no means of the opinion that research is anathema to good fiction, but specialised detail should

serve to further the plot, or enable the reader to have a deeper understanding of the characters. If it doesn't, then the writing feels fractured - divided between the story on one hand, and expository facts-of-interest on the other.

In his 1919 essay on *Ham-*

EAST OF THE MOUNTAINS
by David Guterson
Bloomsbury £15.99, 279 pages

ronic for a novel which is ostensibly all about one man coming to terms with the idea of his own death.

East of the Mountains is about Ben Givens, a retired heart surgeon dying of colon cancer. All too aware of the physical deterioration that lies ahead, and unwilling to put his family through the ordeal of watching him die, Ben sets off on a hunting trip to stage his own suicide as accident.

Needless to say, even before he arrives at his destination, Ben gets into a car accident and the odyssey begins. (There's even a Cyclops - though it's not one Ben has to fight: his own eye gets bruised in the accident and swells shut.) Over the course of the next few days, Ben is forced to face a series of setbacks, the worst being the theft of his gun. Gradually, however, inspired by the optimism and generosity of various young people he encounters along the way, Ben comes round to a different way of thinking. He eventually realises that, even in death, he can serve a purpose; that there is dignity, not only in being the doctor, but in being the patient as well; that in dying he has yet another gift to bestow, and that is compassion.

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Fiction/Christine Powney Odyssey falls short of its destination

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Mass

shrewd eye for phoneys

JPW 150

ARTS

Two small study exhibitions at the National Gallery, centred upon particular works in the collections but augmented by significant loans, currently take us deep into the art-historical byways of painting in Florence, Rome and central Italy in the later 15th and early 16th centuries. They represent the kind of exercise beloved of art historians, indeed their meat and drink - recondite squabbles over datings and attributions, supposition argued as certainty. This is in no way to belittle the scholarship involved, but only to remind us that art history is hardly an exact science. Indeed it sometimes seems that the more is discovered, the less is known.

**It sometimes
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fascinating stuff**

And if it sometimes seems that the last thing to be remembered is the painting as a painting, it is all nevertheless fascinating and entertaining stuff.

Both exhibitions - on Luca Signorelli, a sometime pupil of Piero della Francesca; and Zanobi Strozzi, an obscure follower of Fra Angelico - also raise questions over the gallery's cleaning policies, for it has been the meaning of particular pictures that has provided this opportunity and excuse. I have no intention of entering into that controversy now, other than to say that it is an argument no-one can ever win in principle, but can only be taken case by case. Should one never clean a picture, ever? Should every picture be kept as fresh as day? Here the Zanobi "Annunciation" (c.1440-45), which in the Gallery's Complete Illustrated Catalogue of 1988 was still given as by "probably... a close follower" of Fra Angelico, was only revealed as what it is by the signature discovered by its recent cleaning - a cleaning which appears to have been fairly robust, to say the least.

This then is a Zanobi where there was none before - or is it? For with one question answered, others more far-reaching are immediately asked. His "Annunciation" is hung here for direct comparison between a "Virgin and Child with Grapes" (c.1428), from a private collection, a wonderfully tender yet monumental image, closely influenced by Masaccio, and given now with some confidence to Fra Angelico, and a similar, no less beautiful though more decorative painting from the Royal Collection, "The Virgin of Humility with Angels" (c.1440), attributed to none other than the Master of the Buckingham Palace Madonnas. The stylistic similarities between the three are unmistakable, and most especially between the Zanobi and the Fra



Into the art-historical byways of late-15th/early-16th century Italian painting: 'Four Standing Figures' by Luca Signorelli, sometime pupil of Piero della Francesca

Masterpieces - in anyone's book

Viewing two study exhibitions at the National Gallery, William Packer refuses to be drawn into controversy and just enjoys the paintings

Angelico: the same gentle inclination of the head; the same detailed revealed parting in the centre of the forehead; the same hatched modelling of the hair and the folds of the cloak falling around the head and shoulders; the same drawing of the eyes; the same spread of the hand. But if one is surely by Fra Angelico, the other now so obviously by Zanobi? Hmmm.

With the Signorelli, the larger of the shows - for he was hardly the shadowy figure of Zanobi, and the Gallery has eight of his works, including three huge altarpieces and two frescoes -

the questions are less of attribution than of chronology, though the one thing does tend to lead to the other. Signorelli, though not now so highly regarded as he was a century ago, was a prominent figure of the late 15th and early 16th centuries, and much-admired and well-documented in his time. He trained in the workshop of Piero della Francesca in the 1470s, and in his own work stands as a bridge between the cool and mystical formality of his master, and the more easy naturalism of the new century. We clearly mark this transition in the great "Circumcision" altar-

piece of 1491, for example, with its theatrical formal setting, the crisp profiles and sometimes flattened, stilted modelling of the principals, and yet the active, natural gestures of the supporting full-length figures.

Only the dates are puzzling. There is the wonderful man upon his ladder, a fragment from a huge "Lamentation" of about 1505, from a Scottish collection, which stands happily as a robust development within the general oeuvre. But then comes a ravishingly beautiful "Virgin and Child" from a private collection, never published nor even exhib-

ited before, a standing figure as though part of a larger composition, possibly a "Presentation". It is confidently set around 1510, and yet its elegiac mood seems more 15th than 16th century, and more Venetian than Florentine. Another fragment is even more delightful, a head and shoulders of the Mourning Virgin, again in private hands and until now unpublished, and set between 1509 and 1515 to keep some options open. Can so vigorous and simple an image be so late?

And we go back to the earliest Signorelli in the show, the Gallery's own "Holy Family" of

1496-99, given to him now with some certainty. Again it is a lovely thing, the tenderest of images of the holy child at his mother's breast, and it is like nothing else in the exhibition, but can it really be earlier than 1490? "Circumcision" also, let alone that "Virgin and Child" of 1510? The modelling of the Virgin's head and hands is delicately full and rounded, her whole body sitting comfortably in the space allowed her. It is a painting that takes Signorelli forward surely into another age.

Were it set against the "Circumcision", for it is hung around the corner, one would hardly believe

it to be from the same hand. All the great men are sure it is, but, as I say, theirs is no exact science. The paintings are still the paintings they are, for us to respond to and enjoy.

Signorelli in British Collections: Sunley Room, National Gallery, Trafalgar Square, London WC2, until January 31; supported by The Bernard Zinny Charitable Foundation. Zanobi Strozzi - In the Light of Fra Angelico Room 1, The National Gallery, until March 7; supported by The George Beaumont Group.

Television/Christopher Dunkley

A shrewd eye for phoneys

As from tomorrow, Sunday evening is going to be a time to stay in for a few weeks. Two new factual series start, each worth watching, so that taken together they make the backbone of a worthwhile evening's viewing. Bill Bryson's *Notes From A Small Island*, a six-part series from Carlton, screened on ITV between 7.00 and 7.30, is based on the book that had - is still having - such a phenomenally successful run in the British best-seller lists. *Hostage* is a three-part series, shown by Channel 4, between 8.30 and 9.30, telling the story of the Beirut hostage saga.

It is hard to imagine a more vivid contrast in content or style, but both series are exceptionally well made. The first is charming and highly entertaining, and the second reinforces what has become a powerful tradition at the independent company Brook Lapping Productions, which specialises in scrupulously detailed recent history.

It is hard to resist a man who comes from abroad and insists on telling you what a wonderful country you live in, especially when he proves that, far from being one of those suggestible Americans who go into babbling ancestor worship in front of anything more than 300 years old, he is actually a shrewd and sometimes tart commentator with a beady eye for the phoney. There was no reason to believe that, just because his books are such a delight to read, Bryson would prove to be a useful television presenter, and yet he is rather more than that. He has a relaxed style and an affinity for the camera that is pretty rare.

Tomorrow's opening programme begins with his description of his arrival in Dover 25 years ago, his fruitless hunt for a bed (we are lucky; he did not turn round there and then and get back on the ferry) and a selection of the things he had

never heard of, including streaky bacon, Belisha beacons, Morecambe and Wise, *Gardeners' Question Time* and Sheffield Wednesday. He claims that after seeing a man who asked for 20 Number Six being given a packet of cigarettes, he assumed that all goods in newsagents were ordered by number, Chinese restaurant style. And he insists that, early in his stay, he discovered a sign beside a sink in the British Museum saying "Casual ablations only please". I expect he means a basin.

In Programme 1 he is good on blue plaques, London cabs, and a bizarre system of "pointless tunnels" built under the houses of Liverpool by a man named Williamson. In next week's programme he notes that cricket is the only sport in the world to incorporate meal breaks (has anyone told him you can get four nights' sleep during a Test Match?) and expatiates on Blackpool which, he asserts, gets more visitors each year than Greece, has more holiday accommodation than Portugal, and leads the world in per capita consumption of chips. Yet it becomes clear that he does not like Blackpool: a fact that somehow makes his coverage all the more admirable.

In *Hostage* Phil Craig, Mick Gold and Tim Pritchard set about the Beirut hostage story with techniques precisely similar to those used in the former Brook Lapping series *The Second Russian Revolution* and *The 50 Years War: Israel And The Arabs*, interviewing every survivor of any significance from all the countries involved, and raiding the archives for newsreel.

It is, of course, fascinating to hear the memories of those such as journalist Terry Anderson, who was held by Hezbollah and other terrorist organisations, and from their relatives, such as Anderson's sister,



An American in Blackpool: Bill Bryson

Peggy Say, who recalls becoming quite blasé about receiving regular phone calls at home from the men's captors.

It is moving to hear David Jacobson's account of listening to CIA man Bill Buckley coughing and dying in the next cell, and fascinating to be told how the detail of making imaginary journeys around familiar streets can help keep a hostage sane. But the most striking element of the first two programmes is the contrast that becomes apparent between the public and private attitudes of the western powers whose citizens were kidnapped.

The US, UK and France presented a united front to the world, declaring their determination not to do deals with hostage takers. But behind the scenes the Americans and French were simultaneously hard at work cooking up deals to extricate their own nationals.

The most cynical ruse of all was the use by the Americans of Terry Waite at the scene of successive homecomings by American hostages to suggest that his activities had achieved the release, when it was actually Oliver North's clandestine arms deals that were doing the trick.

Radio

A real feel for history needed

millennia? What puzzles me is the number of alleged professionals who let this trailer through: writer, performer, director, studio management, producer... Is there nobody in the BBC's pitch-drunk ranks who could draw a blank about accuracy?

Dr Graham's School: The Jenkins visited the remorselessly chirpy Lisa Jardine (custom-built pundit for Radio 4: chirpy, academic, all too easy to understand and female) and her like, who laughingly concluded that no lessons could be drawn from these historical polls, even while pointing out that Cromwell dispensed from guilt anyone killing the Irish, as the Irish were somehow sub-human.

Some of us non-historians might have thought this century alone had taught the human face of colonial benevolence. "We never knew our mothers or fathers," said one alumnus,

explaining the cries of "Daddy! Daddy! Daddy!" that greeted the doctor. Its present principal is called Lancelot, which seems in keeping with the school's ideals of friendship and fellowship.

The one worry is that the Anglo-Indian community may not be assimilated into modern India. One charming septuagenarian excused herself for still being more

Anglo-British than Anglo-Indian; but realised that things must change. Given the recent atrocities perpetrated by militant Hindus, now turning on Christians the cruelty previously reserved for their own untouchables, I keep my fingers crossed. This was a fascinating item about a little-known remnant of the Raj.

Christopher Reeve, the actor of *Superman*, talked to Peter White in *No Triumph, No Tragedy*, launching a series on disabled achievers. The bitter irony of the accident that paralysed him has been extenuated by the actor's courage in battling back against a broken neck.

Other new series include *For One Horrible Moment*, Peter Bradshaw's reading of a modern mock-Gothic childhood memoir set in the Cambridgeshire fens and permeated with the deadpan, black humour that evokes the American illustrator Edward Gorey. Wonderful pastiche, genuinely original (if that's not a contradiction). Other new arrivals include *The Patrick and Maureen Maybe Music Experience*. One of the treasures of ITV's underrated *It's Legal?* is the exquisitely judged comedy playing of Patrick Barlow and Imelda Staunton. Here they are reunited as a poisonously estranged married couple presenting a truly terrible classical music radio programme - a mix of Kenyanese populism and Classic FM. The basic premise won't wash: radio has switches, knobs and controls - you don't hear the vicious bickering of presenters, ill-timed intrusions, the bleating of bewildered phone-ins. The radio equivalent of backstage comedy *It's a Nuisance Off* is almost impossible to conceive. But never mind the plot, feel the acting.

Martin Hoyle

ARTS

Singin' and dancin' into movie history

Nigel Andrews talks to film director Stanley Donen about his legendary screen musicals

There are two movie truths universally acknowledged. One, *Singin' In The Rain* is the best screen musical. Two, "Singin' In The Rain" is the best screen musical number.

No wonder the film's director, Stanley Donen - that pocket-sized Hercules of the song-and-dance movie who also made *On The Town*, *Royal Wedding*, *Funny Face* and *Seven Brides For Seven Brothers* (plus non-musical hits like *Charade* and *Broadway*) - responded to his life-time achievement Oscar last year with a song about bad weather. *Not that* song, but the one about it being a lovely day to be caught in the rain.

The Astaire-Rogers standard goes on about "dancing cheek to cheek", which is exactly what Donen did onstage last March with his statuette, touching the hearts of a billion televisioners across the globe.

"I only sang eight bars," he points out. "They only allowed me a minute for my response to the award. The idea of doing the song came to me one night in bed. I thought, 'What should I sing?' and started humming that tune."

He will get more than a minute to respond to acclaim this year. By divine coincidence 1999 is the 75th birthday of both Donen and MGM, the studio synonymous

"Oh my god, don't you

know that?" (When I ask him about the appeal of Cary Grant with whom he made four films).

"I think what you just said is so *vogue* it'd be difficult to agree or disagree." (When I talk airily about the "through-choreographed" style of the MGM musicals), "It isn't funny at all." (When I giggle while raising the story of *On The Town* actor-dancer Jules Munshin, who suffered vertigo while forced to caper debonairly atop the Empire State Building). "I don't know if you have a phobia, but if you do you know that you have no control. Jules was very brave that day..."

At other times Donen can be docile, even expansive. He chose that Oscar song, he says, in homage to the man who first filled him with showbiz ambition. Donen was a small child when he saw *Flying Down To Rio* whose cast contained, in a supporting role, one Fredrick Astaire.

"I was enchanted by him. Everything he did looked as if it had no effort but just happened at the moment. As I learned later, and it was six years ago at his Beverly Hills home, when I visited him for a 40th anniversary Q-and-A about *Singin' In The Rain*, Donen doesn't suffer fools gladly, and you sometimes wonder if he suffers anyone gladly.

"Dancing cheek to cheek" with his Oscar last year: Stanley Donen

had one of his three-in-the-morning brainwaves. He saw Kelly at that hour to tell him he wanted him to dance with a cartoon mouse. "Nothing like it had been done before. I wanted to use Mickey Mouse, but Disney wouldn't let us. So we used Jerry from MGM's Tom and Jerry cartoons." Donen dance-doubled for the rodent during rehearsals. "I was nicknamed 'Mouse' for ever after."

Reports differ on whether the Kelly-Donen marriage was made in heaven or the other place. Donen denies he made one attributed remark which went "Substitute for the word 'co-direct' the word 'fight' and you have it."

"Gene and I were very different personalities who found in each other different things we responded to and liked. We weren't always seeing things the same way, otherwise it didn't need us both to direct. So 'conflict', not 'fight', is the word."

Today I think they're quite spectacular, but as a young man I thought them stupid and silly and endless and inhuman. A thousand pianos, now we can do 1,000 bags of cement. Or 1,000 lampshades. I was quite negative about them. But I think ultimately that was very helpful, because it formed my style by giving me something to steer away from."

After *Flying Down To Rio* the boy who was already in love with cinema - he had been given a movie camera by his father - decided to fall in love with musicals. He hoofed on Broadway, then went to Hollywood and met Gene Kelly. "He asked me to be assistant choreographer on *Cover Girl*. Later we directed *On The Town* together."

Between the two came *Anchors Aweigh*, for whose best-known number Donen

number - "Kellyish" in spirit - while Kelly's best-known dance was as smooth as silk and as simple-seemingly as an Astaire solo. The first was *Royal Wedding*'s upside-down dance, that famous showpiece that called for a set with fixed babies and glued-in-place drapery so that Astaire could appear to dance up the wall and then across the ceiling, while actually the whole room unit revolved. The Kelly number was - what else! - *Singin' In The Rain*.

Like many great things, it came about by virtual immaculate conception. "I remember first discussing it with producer Arthur Freed who'd written the song (which had been used, like nearly all *Singin'* numbers, in previous movies). I said casually, 'Arthur, we've got this wonderful idea. Gene's gonna sing and dance in the rain.' It was as simple as that. The pleasure of just being alive, of being in love, and having nature hit you in the face."

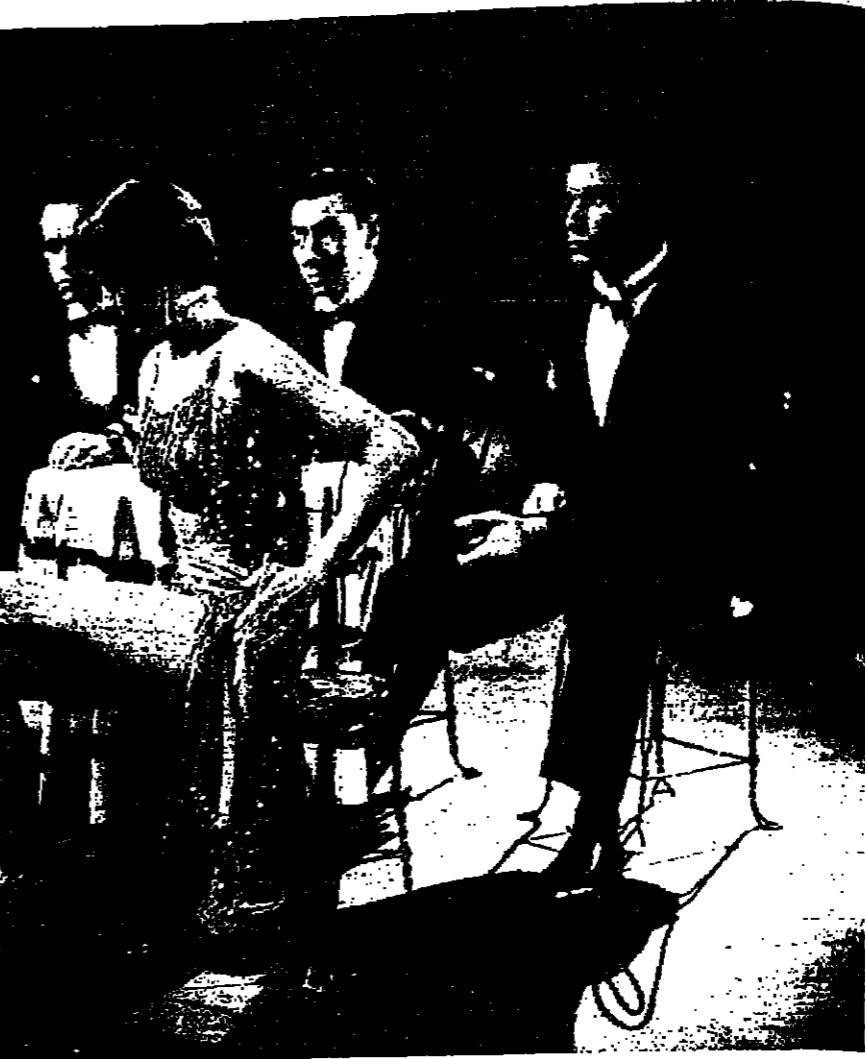
It was less simple to film, he explains. "Like most night scenes shot in studios back then, it was done during the day under black tarps pulled over the street. They were stretched from telegraph pole to telegraph pole. Black attracts heat, as you know, so these tarps that were almost the length of a city block were heated by the sun pouring down on them, and the water was warm, and Gene and everyone was sweating. We had to do countless retakes even though he had a cold and ended up with a fever."

Paradoxically, though, Astaire's best-known dance for Donen was a gymnastic, highly-wrought novelty.

How, with half a century's hindsight, would he compare Kelly's dance style with Astaire's?

"The pleasure you get from watching each is quite different and that's the joy of it. Gene was this wonderfully brash Irish-American go-getter-type fellow. Fred was a laid-back, sophisticated, suave, gentle mover. It's the difference between sliding across a room and jumping on a pogo stick."

Between the two came *Anchors Aweigh*, for whose best-known number Donen



"They were amazing years. Maybe that'll never happen again": Gene Kelly and Cyd Charisse in 'Singin' in the Rain'

The Kobal Collection

Donen had even worse struggles on *Funny Face*, his and MGM's last indisputably great musical. The photographer hero played by Fred Astaire was based on Richard Avordon, whom Donen wanted to supervise the film's lighting. It became a drawn-out power struggle with the movie's official cameraman.

"The cinematographer was terrified of Avordon, terrified that his authority was being challenged. In my opinion he was quite stupid about it. So Richard and I developed a sign language on the set. If he touched his tie or nodded or scratched his shoulder, it meant he wanted a particular lighting change. 'It wasn't funny at all,' Donen says, when once

again I gave a rash chuckle.

"It was a hellish situation and a miracle the film turned out as it did."

As a finale I composed an elaborate question on the death of the screen musical. I listed aloud half-a-dozen possible contributory factors and then ask the director if the genre's decline is the fault of these.

"There was a deadly beat of silence. 'Is it the fault of what?' I made a second attempt. Donen paused, lightly frowning, to unscramble.

Then he launched patiently on a reply formed from 60 years' experience. 'I don't think I

can give an absolute answer.'

There may be something in the MGM musical back then that was peculiar to that was peculiar to

time, in the same way that the impressionists worked together and then disappeared, never to be repeated.

"Also part of it is circular. Musicals are not being made, so there's nobody to make them. If we had a continuing tradition, a work in progress of making song-and-dance films, there'd be tons of people to do it. They'd be trained up from childhood as we all were. Performers like Garland, Astaire and Kelly, writers like Gershwin and Irving Berlin, they did it from their youth. And producers like Arthur Freed knew everything about music yet never discouraged you from trying something new. They were amazing years. Maybe that'll never happen again."

Whiff of success for a skin doctor in essence

Aggie Vaidya

Photo: AP



Based on the photograph Richard Avedon: Audrey Hepburn and Fred Astaire in 'Funny Face'

"You shouldn't call this a museum. Museums are boring places". In a sense she was right. Bayley's notion was that a permanent collection was an unnecessary burden for the showcase of design, a forward-looking subject if ever there was one.

But the museum opened with

Commerce and Culture, an exhibition which failed in its purpose to establish a manifesto for design excellence. Disastrously few people went, and when it closed three months later Bayley had gone. "He was an instigator, not an administrator", says Thompson.

There were subsequently some key shows - *Graphic Design in America* and *Dutch PTT* were well reviewed - but Butler's Wharf failed as a cultural quarter. The tourists who had been expected to flood across Tower Bridge never arrived. Conran had to rescue the museum from collapse with a £2.2m special grant.

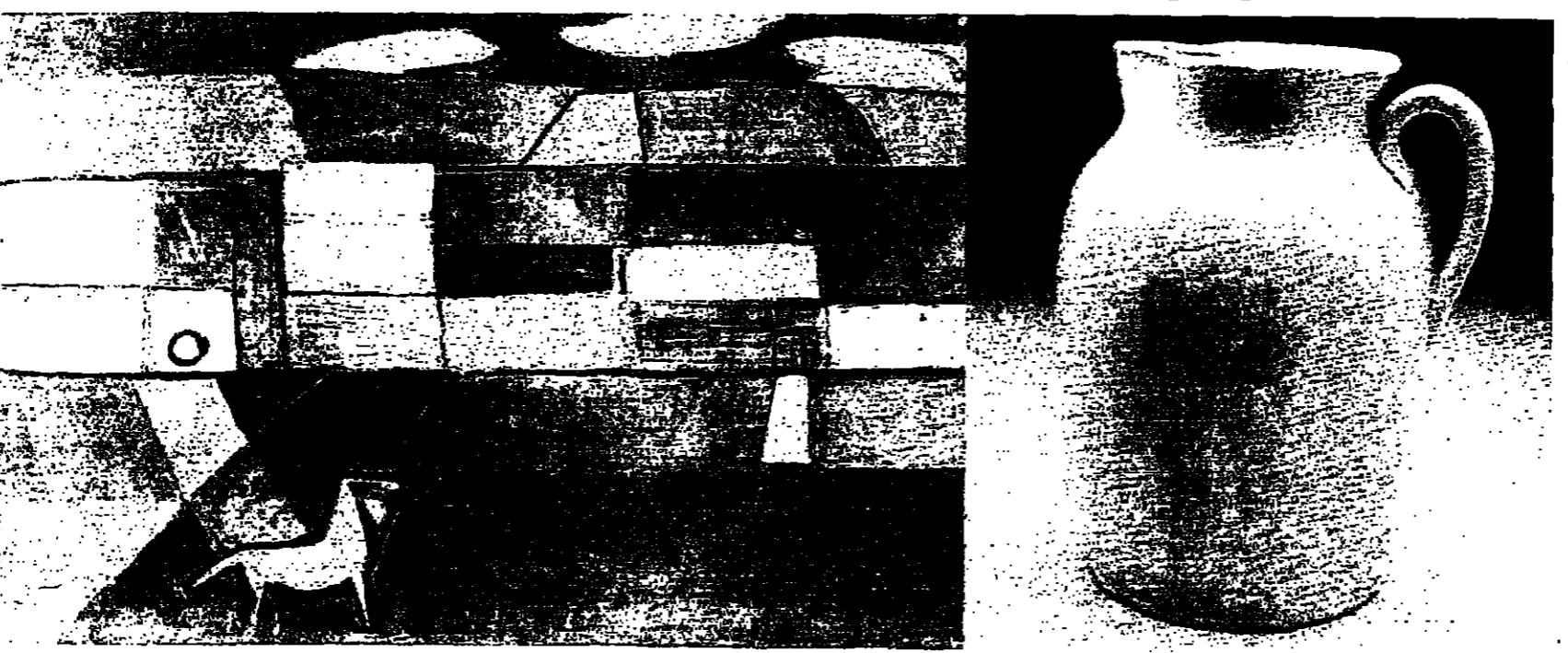
In 1992, Thompson was promoted with a brief to create a business plan for closure. "It seemed to me that if we democratised the place and gave it a more educational edge, we might be able to make a business plan for survival."

The Design Museum's turning point came in 1993 with a Frank Lloyd Wright exhibition which struck a mood and an educational need. "It was the first show which genuinely impressed scholars, with material from the US which had never crossed the Atlantic before. Visitor numbers began to climb at last and for the last three years the museum has made a small profit", says Thompson.

"We didn't really expect anything for the Design Museum because we couldn't see any future" Frayling recalls, "but it has become an indispensable educational resource now at all levels. A gauntlet has been thrown down on behalf of design and technology, and it has been picked up. I think we're catching Terence up at last."

How the Design Museum caught the eye of the Establishment

After a troubled decade, Sir Terence Conran's baby has finally grown up, reports Simon Tait



'Dog and Target' by Mark Tobey, 1934; and Royal Doulton's Acid Jug, 1957: two of the exhibits in the forthcoming 'Modern Britain' exhibition

It will be the first exhibition designed by the architect whom many describe as the arch-priest of postmodernism, Norman Foster. Sponsored by artcuries Bacon & Woodrow, the exhibition covers not only the architecture of the likes of Wells Coates and Erno Goldfinger, but also paintings, sculpture, graphics, furniture and textiles which, Foster believes, are as influential now as they were 65 years ago: "The Modern Movement in Britain, in a more mature phase, has never been healthier or more vigorous" he writes in the catalogue.

As it approaches its 10th anniversary, the Design Museum can afford to reflect with some satisfaction on a troubled decade.

Conran didn't want the Design Museum to be just a department

in the basement of the V&A. "He

felt that we were not a decorative arts institution" says Paul

Thompson, who joined the ded

ing museum as a curator and is

now its director. "We were the

specialists in contemporary

industrial design and architecture."

Still in the V&A basement, a 29-year-old lecturer in art theory, Stephen Bayley, was brought from the University of Kent. In

the "white box" space, he put on

some important shows, introduc

ing us to the genius of Kenneth

Grange, the co-founder of Pent

zak; to the couture wizardry of

Issey Miyake; to his "perfect car",

the Ford Sierra; and to the cre

ative potential of the shopping

bag. "It was a bit of trade show,

but the truth is that there was nothing else providing a showcase for British contemporary industrial design" says Frayling.

But Conran was thinking big. He wanted more than a white box. He embarked on a great adventure to open the Design Museum in a former warehouse in Butler's Wharf, on what he foresaw as a vibrant new south-side river community east of Tower Bridge. There were plans for the new Tate Gallery to move there, along with Vivien Duf

field's children's museum, Eureka!, and the Royal College of Art's industrial design school.

The magnet of trendy wharfdom would surely be too much for the cultural community to resist.

Resist it did, though, and when

the £2m Design Museum opened in July 1989, it was a lone cul

ture voice. The Tate Gallery's focus shifted elsewhere, the RCA stayed put and Eureka! eventu

ally settled in Halifax.

Mrs Thatcher opened the Design Museum by declaring:

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How to Spend It

If all the questions you could be asked, one of the very best is: which do you prefer? It goes right to the guts of a matter.

Choose one. Yellow or aubergine, Rose or Bang & Olufsen, alligator or ostrich, Karan or Klein, luxe wallpaper or plain paint. Hey, leather or lace. It's easier when it's Manichean; usually it's not.

The point of these pages is to call the crowd and ease your choices, to leaven the whole dough-spending experience. So from my fridge to yours, a cartoon by Roz Chast that appeared in *The New Yorker* some years ago: a picture of two petrol pumps, side by side, above one a sign reading "Regular", above the other, "Fabulous". The aim here is to spotlight the more noteworthy nozzle.

This weekend I take over as *How To Spend It* editor from Lucia van der Post. She has put

Regular or fabulous? Your choice

Holly Finn sets out to add serious gusto to the job of spending it

together these pages for 26 years and, in the time I have read and known her, has taught me much about style. She is a mighty graceful act to follow. I shall

try for thinking people, deciding how to spend it, and then actually parting with money, can be as mentally wrenching as trying to order a regular coffee at Starbucks'. If we feel mild-flabillations, even all-out

attacks, before bumbling over the big notes, it isn't because we're skimpfins - necessarily. It's because what we pick to purchase matters. We are, in the end, what we choose.

The great thing is that every item, like every person, has a story. A furniture-maker chooses to use willow and ash

trees, rather than larch, for a reason. Those who mix perfumes and potions to match the essence - the olfactory gift - of a person are making a point.

Even sweaters can be tale-tellers.

Goods that are worthwhile are the same as people who are. They don't sit up to the bar and shrug at you, cataloguing their pluses. They are, simply and with reason, hard to resist.

As a friend from California's Napa Valley says about wine: you know a good vintage when your hand reaches for a second glass without thinking. These pages try to give you a taste of things - their look and smell and texture - but it is always your hand that decides.

Spirited efforts at earning are

what makes possible the devilish fun of spending. Is this buying of things just whimsy? Well, are we invertibrates? Isn't there more to it? The particular gadgets and gizmos shirts and skirts, dreamy creams and buttery leather-works that appeal, the ones we are compelled to pluck from the shelves, matter to us. But not

In a speech he gave in Illinois in 1842, Abraham Lincoln weighed in on the topic:

"It is said by some that men will think and act for themselves."

Now, Abe was a smart man, but he dressed like a Transylvanian miler.

There is a reason these pages are not called *Where To Spend It Or Whether To Spend It Or Go Ahead, Spend It All*. Or, C'mon sit during the sermon with his

wife's bonnet upon his head?

"Not a trifle, I'll venture. And why not? There would be nothing irreverent in it, nothing immoral, nothing uncomfortable - then why not? Is it not because there would be something egregiously unfashionable in it?"

"What is the influence of fashion but the influence that other people's actions have on our actions - the strong inclination each of us feels to do as we see all our neighbors do?"

Now, Abe was a smart man, but he dressed like a Transylvanian miler.

There is a reason these pages are not called *Where To Spend It Or Whether To Spend It Or Go Ahead, Spend It All*. Or, C'mon



Holly Finn: 'How you distribute your ducats is telling'

Patricia Lohr

hopefully some insight, to the business of your spending.

Which do you prefer? What a question.

Whiff of success for a skin doctor in essence

Reggie Nadelson talks to a Florentine perfumer

I am in Florence and an Italian is sniffing my arm. Between whiffs, he talks about Cherie Blair, how pretty and smart she is. This is not as odd as it sounds.

Lorenzo Villaresi is a perfume-maker who creates customised scent. Up here in the penthouse of his medieval palazzo - you can smell it half a block away - is a room with a staggering view of Florence and a thousand bottles of scent to work with, including amber, *sapori di mare* (sea smell), tobacco, grass, vanilla, iris and chilli pepper.

The British prime minister's wife has stopped by on a couple of occasions. When she was in search of a gift for the Queen at Balmoral, Villaresi suggested she take the red travertine marble dish with some potpourri. Scent, Italian-style, has a power that crosses borders.

Everybody is different, says Villaresi. His job is to identify the essence of that individuality and enhance it. "It's the most interesting part of my work," he says. "People tell me everything about themselves, who they are, the signal they want to give, the atmosphere.

"Fragrance is like clothing. I build it up a layer at a time. I think of myself as a scent doctor." Villaresi grins at his own hyperbole. Still, he adds, "Everyone comes. Rich, poor, students, ambassadors. Jackie Kennedy was a client."

At 42, Villaresi is more alchemist than simple scented maker. A modern Renaissance man, he reads philosophy, cooks, speaks several languages, travels, and collects pop music from the 1950s and 1960s (Petula Clark is singing "Downtown" while he attends to my arm).



A modern Renaissance man who is multilingual, reads philosophy and was expected to become an academic, Lorenzo Villaresi says: 'I think of myself as a scent doctor'

A Capo

came home, his friends started asking for special "essences".

Florence has always had a tradition for perfume-making. Modern perfume was first made in 1370 at the command of Queen Elizabeth of Hungary. ("My

I like the idea I am a merchant. But my friends thought I was crazy when I began'

grandmother was Hungarian," points out Villaresi.) But perfume really took off as an art in Renaissance Florence. Catherine de Medici took her personal perfumer to France when she married the future French king, Henry II. Now, in a sense, perfume has come

In the early 1980s, Villaresi says, a friend who worked at Fendi, the Italian design house, needed scented candles. Placing an order, she asked: "What's the name of your company?" He invented a name and went on to make private label goods for Emporio Armani, Paul Stuart in New York and Lane Crawford in Hong Kong.

Villaresi experimented with plants, reading books, making tinctures, fiddling around with distillation equipment. "Mostly what I made was a mess," he groans.

By 1990, Villaresi was in business. He built perfumes for individual clients, and designed crystal bottles and leather cases, as well as the travertine dishes for the potpourri. His scents became an international cult. He has a staff of five now, as well as several consultants, and has built a new laboratory near his family home.

For part of every year he travels the world. From time to time, like a Medicis magician, he turns up in New York, Hong Kong, London,

showing his wares, demonstrating his facility for customised scent-making.

In the past few years, says Villaresi, people have started to want specialist perfume. "They do not want things they can buy in a duty-free shop at any airport."

This is a family business and Villaresi's partner is his wife Ludovica, a spirited, warm woman of Russian descent - her grandfather fled the revolution and settled in Italy. A Renaissance beauty with pale red-gold hair, Ludovica speaks half a dozen languages fluently.

When she met her future husband at a party in Venice, she was running her family's farm near Padua. After a few years of courting, she moved back to Florence where she had grown up and married.

The summer before last, Ludovica was in old jeans painting the studio wall when the buzzer went. It was August, Florence was shut up tight.

Ludovica ran down the stairs and, she recalls: "There was a good looking dark-haired woman at the

door. She said she had read about us in Britain. I said we were closed. She said she really wanted to buy some of our things."

Ludovica laughs. "Suddenly, I realised who

it was. Cherie Blair bought some Christmas presents and invited us to their villa."

This year she made a return visit. "I tried to be very cool," Ludovica grins, "but it was a bit hard to do

when she asked me what I thought would be nice to take to the Queen."

■ Lorenzo Villaresi, Via de' Bardi, 14, 50125 Florence; tel: (055) 234 11 87, fax (055) 234 58 93.

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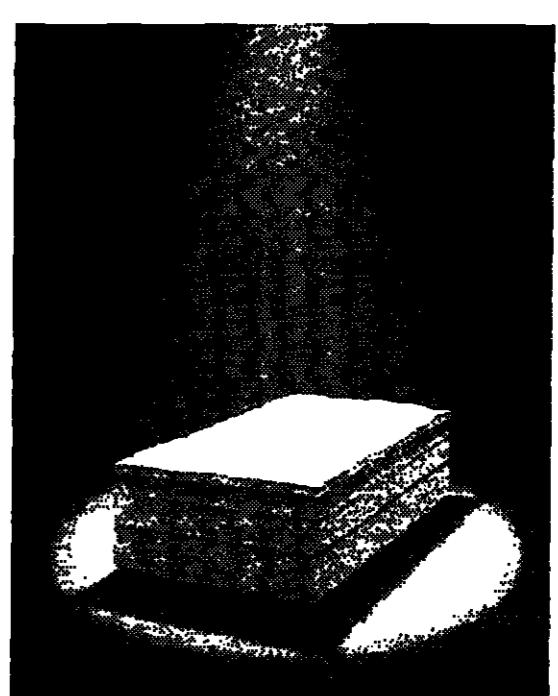
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HOW TO SPEND IT



Weaving a magic wand

Clive Fewins admires furniture made from ash and willow

Guy Martin tells the story of a general practitioner friend who commissioned him to design a practical but "different" consulting room chair. It had to do the basics, like provide for good posture. It also had to do something more abstract: make the doctor seem more comforting. Patients should be encouraged to regard the chair as part of the "healing process".

"It took me 2½ years to get it right," says Martin. But, he adds, "the development process produced a lot of ideas that fed into other furniture designs, and a variant of the chair - I call it my 'cathedral' design - is now my best-selling item".

Martin has been developing his designs for three decades. In early autumn, he leaves his home each

week in a Somerset village on a foray to coppice ash in nearby woodlands. A little farther away, on the Somerset Levels, he buys willow from local grocers - either in batches with the bark left on, or in wands that have been boiled and stripped to a clean white colour.

From these primitive sources, Martin makes sculptural ash and willow furniture. Despite the cheap and rustic materials, his work is anything but traditional.

The shape of his chairs is minimalist. After spending most of his life as a designer, teacher and sculptor - 25 years as assistant to sculptor Sir Anthony Caro and six years as chief design tutor at John Masepe's nearby Parham College - one of his main

objectives is to reduce his designs even more to essentials, to elemental shape.

"My aim is to get every aspect of the object correct," says Martin, 52. "This means understanding people's needs and producing a piece that is ecologically sustainable and naturally processed, made without resorting to chemical adhesives and in which every part of the design does a job."

Martin does not believe he has yet achieved this in all his designs. But it is only 2½ years since he started Guy Martin Furniture.

After leaving Parham, he sold most of the woodworking machinery he had acquired. To make the chairs, stools, tables and other items that now sustain his one-man business, he decided to use only a bandsaw to shape the rough pieces of ash and an electric router to fit the willow seating and backs into the ash frame.

The ash spars are finished with an electric drum sander, but the rest of the work is done by hand. Martin will not use a lathe to turn the ash legs and spars. "A turned object loses its hand-made richness," he says.

He has rejected woven willow in his furniture, part of a conscious attempt to get away from using the material in a conventional way.

The strength for which willow is noted is given to his rockers, recliners and dining chairs by a process he calls "dry lamination". All his chairseats have two skins of willow separated by ash batons, which create the curved element and give the seat its great strength. "The effect is that of a box girder bridge," says Martin.

Every element in his furniture is structural. Any aesthetic appeal comes from an appreciation of the

work each piece is doing. "People tell me my pieces have a Japanese feel, but I have never been to Japan," Martin says.

"Certainly they incorporate the Japanese idea of honesty to materials, processes and needs. However, because it is not driven by aesthetics I think my furniture has more of a Shaker feel to it."

"I like to feel my chairs embrace the human form - they have arms, necks, heads, seats, legs and feet. On their own they have a human presence without a human being there." Whether or not Guy

Martin's furniture strikes you as human, a piece of it does have a curiously healing effect.

■ Prices range from £275 to £575. Guy Martin Furniture is at Crown Studios, Old Crown Cottage, Greenham, Crewkerne, Somerset TA18 8QZ. Tel: 01308 863122.

Left to right:

- "Cathedral" chair, in coppiced ash and cultivated willow, £450
- Music stand/book stand/lectern, in ash and willow, £475
- "Stave" storage for 100 CDs, in ash and willow, £349

Fashion Bold comfort for the sweater set

Designers are making trend-setters of classic cardigans and tank tops, writes Karen Wheeler

Knitwear is not what it used to be. Traditionally a safe, cosy purchase, now it is just as likely to be frivolous as functional. Who would have thought that the classic twin-set could become a trend-setter?

Lainey Keogh helped push the boundaries of knitwear, by proving it could be worn for evening. Latest suits, as Maja, Lucien Pella-Finet and Rebecca Moses have done for cashmere what Sir Terence Conran did for the game considerably.

Before Pella-Finet and Co. cashmere styling was pedestrian - a roll-neck sweater was as daring as it got. But now funky, striped sweaters, sexily cropped cardigans and camisoles, and bold use of colour are the norm. The two newest names to note, Martin Kidman and Sara Dearlove, have raised the game considerably.

Both have a gold pedigree, having worked for Joseph Ettegui, on the highly successful Joseph Tricot range before starting their own collections. Their styles, however, could not be more different.

Kidman's knitwear has a more artistic and decorative feel. It comes in delicious

colours, with designs laced through with ribbons, delicately hand-embroidered with flowers or sprinkled with sequins. A typical garment is a lacy lilac top with a ribbon trim at the neck.

The appeal is in the detail: Kidman does belts, ribbons, buttons at the shoulder, or delicate ties that make all the difference, explains Paul

crowd who inhabit the fashionable Brompton Cross area of London (Tocca shift dress and tiny bag territory). Kidman has also been gaining a following among fashion cognoscenti. Kate Capshaw, (Mrs Steven Spielberg), Courtney Love, and Helena Christensen - who once declared that the most wanted item in a woman's wardrobe was a Martin Kidman jumper - are all fans.

Kidman, 37, was snapped up by Ettegui at his degree show for St Martin's School of Art in 1988. He worked at Joseph for 10 years, finally as design director for the Tricot range. He still makes the floral-patterned handicraft style sweaters, synonymous with Tricot in the early 1980s, for private clients. Meanwhile, his own-label designs are wide-ranging and quintessentially English. He does everything from delicate camisoles to chunky cable knits.

His recent winter collection was called Jackie O Goes to Aspen; his current spring/summer collection is inspired by the early 1980s and features tongue-in-cheek styles alongside the covetable lace hand-knits and refined cotton sweaters. These include one shoulder tops emblazoned with palm tree or Cadillac motifs and Joan Collins-inspired navy and fuchsia tops - not to everyone's taste, but amusing nonetheless.

A visit to his showroom gives clues to his quirky style. It is not the usual

stark designer showroom but is exceptionally pretty with pale blue walls, a rose-patterned rug on the striped white floor and dainty antique chairs. Arranged artfully around are his junk shop finds.

Kidman - who is also knitwear consultant for high street retailer Jigsaw - always has an eye towards the next big thing. Though florals featured strongly in last summer's collection, he now pronounces himself sick of flowers. Instead, he sees a return to the romantic style epitomised by Lady Diana Spencer in her Earl's Court flatshare days. That pie-crust frill shirt of the early 1980s suddenly looks absolutely right, he declares.

Sarah Dearlove's knitwear is not as instantly arresting as Kidman's, but has connoisseur appeal. The Comme des Garçons of the knitwear world, her approach is esoteric, her garments complex. A typical design is a black or cream sweater of luxurious 8-ply cashmere, twisted seamlessly around the body to create an asymmetric effect.

Her small collection includes technically constructed pieces and shapes that have never been seen before. Her sweaters twist around the body in an unbroken rib, allowing her to abandon shoulder and side seams. In contrast to the styles that fit like a puzzle,

she also does plain pieces reduced to complete simplicity. Rich-woman-in-ski-resort is how she describes the look.

Dearlove's most popular design is a long ribbed cardigan which hangs off the shoulders like a shawl and looks as if it has been made from one piece. Most of her designs come in taupe, cream or black: the designs are so complex it is best to stick to neutral colours, she explains, adding: "I will always have a crew neck and a V-neck in my collection, but they will not be like everybody else's." Her ambition is to create the perfect seamless cashmere sweater.

Like Kidman, Dearlove, 26, is a graduate of Central St Martin's. Upon graduation, she was immediately employed by Joseph Ettegui after a tip-off from Andre Leon Talley of American

Vogue. Dearlove was hired to work on the Tricot range, with the specific brief to reinterpret the famous Joseph rib.

Since then she has been hired as a consultant to the knitwear division of cult label Tocca (her influence will be seen in the autumn 1999 collection). Based in San Francisco, Dearlove is a name to remember.

Although not a knitwear specialist, Matthew Williamson also deserves a mention. His spring collection contains some of the best knitwear spun from delicate one-ply cashmere in orange, fuchsia, or white (pure Snow Queen) are irresistibly ultra-modern, as is his V-neck sleeveless tank in orange cashmere with fuchsia Lurex trim.

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FOOD AND DRINK

The new year starts in Paris for Nicholas Lander, who visits Taillevent, and Anissa Helou, who tries sweetbreads

The receptionist at Taillevent, the three-star Michelin restaurant off the Champs Elysées, smiled, bowed, ticked my name off his list and handed me over to the premier *maitre d'hôtel* who led me through the first of three plush dining rooms, built for the Duc de Morny in 1852, to a corner table where I sank into a banquette.

I was handed a large linen napkin, a copy of a most beautiful menu and a mini vintage chart – one of which was considerably placed on every table – and I was told that Jean-Claude Vrinat, Taillevent's owner and one of the world's most respected restaurateurs, would be with me shortly. Vrinat duly arrived, smiling as ever, having just made sure that the customers at the other 17 tables were as he would wish and as comfortable as they would want to be. He is 62 but looks younger, with only the red ribbon of the *Légion d'Honneur* on his suit to mark his achievements.

An almost boyish expression crosses his face whenever he talks about his passions, such as the gardens of Sussex, Kent and Scotland, and, above all, the food, wine and restaurants.

Before I could ask him about any of this, there was the small matter of what we would eat. Vrinat quietly suggested that I leave the choice to him. We would begin with two first courses, a mousse of sea urchins followed by sautéed scallops with grated black truffles. Then, because it was in season, we would share the classic hare à la royale. Next to the table were two burgundies, a 1986 Chevalier Montrachet from Delegue and a 1985 Volnay from de Montille. I was in the best of hands.

A question was on the tip of my tongue when two small bowls arrived. "A little watercress soup to begin with because it is cold outside," Vrinat explained. I gratefully accepted the dollop of *crème fraîche* and caviar that accompanied it.

In the age of the super chef and the growing number of large restaurant groups, I asked whether there was still a future for the independent restaurateur.

"I think so," Vrinat replied, "although I am aware that today Taillevent is the only one of the 21 three-star restaurants in France owned by a restaurateur, not by a chef."

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Vrinat sets a good example by arriving, with his wife, at Taillevent each weekday at 8am and leaving after midnight, a routine he has followed for the past 35 years since leaving business school. "The early morning is crucial," he says, "to check faxes and reservations, and to inspect the produce."

Taillevent is exceptional in that all its staff are French. In its 32 years, the restaurant has had only four head chefs (one of whom stayed for only two years) and a loyal staff – the barman has been pouring drinks for 32 years while the premier *maitre d'* started as a 16-year-old, 25 years ago.

When Vrinat excused himself to take a phone call I imagined how easy it would be to sit here



Jean-Claude Vrinat in his wine shop: Taillevent is the only one of the 21 three-star restaurants in France owned by a restaurateur, not by a chef

Paul Cooper

Pleasures that add up to three-star success

quietly as revolution raged outside. On his return, I asked him about May 1968, the year of the student riots in Paris. "We carried on as usual," was his reply. "Everyone came to work, although business was down by more than 50 per cent."

"Quite simply, a restaurant is a team effort and no part of what we do can let the rest down. For the customer and for me, the waiting staff have to be as good as the kitchen, the pastry section has to be the equal of the sommelier and the wines we serve. Achieving this, seeing my customers leave happy or receiving their thank you letters, are the rewards."

Another reward is greeting returning customers. Near us were two tables of Americans who visit Taillevent whenever they are in Paris and who always leave the choice of menu and wine to the *maitre d'*. At lunchtime, 70 per cent of the customers are French, 60 per cent at dinner. Three-quarters of lunchtime bills are settled by account. However, there is a regular flow of tourists, who will have booked more than a month in advance for dinner. For a lucky few, Taillevent is the ultimate executive dining room.

Vrinat has, however, ensured continued pre-eminence by an extraordinary devotion to detail. "When a young chef comes here I am not interested in what he has cooked before. I never ask them to copy someone else's recipe. I am only interested in the skills they have or which they may have absorbed from working in other great kitchens. The discipline and organisation of working with Joel Robuchon, for example, or the family atmosphere and humility *chez Pie* in the Rhône.

"With that frame of mind, we

'I realised that to offer the best wines at the best prices I have to buy as soon as the wines are released'

can develop our menus which we change about five times a year, never putting more than two or three flavours into one dish or you risk overpowering the palate."

Vrinat seeks the same refinement in his wines. Over the past 25 years, he calculates that he has bought more than 2m bottles and he feels this has given him even more excitement than food. When in Paris – but not in the restaurant – he is invariably in

his nearby wine shop, Les Caves Taillevent, where the computer screen-saver displays the pebbles of the Châteauneuf vineyards. At the weekends, when Taillevent is closed, he is off tasting in the French vineyards with his wife without whom, he romantically adds, he neither tastes nor buys wine so well.

"Twenty-six years ago I was

standing in the cellars of Robert Jayer Gilles in Burgundy and I tasted what I thought was his best barrel.

"When I tried to buy it I was

told it had been sold to an American wine merchant and I realised that to offer the best wines at the best prices I have to buy every year as soon as the wines are released. The restaurant has 300,000 bottles stored away in two cellars around Paris, but today I am concerned that whenever I visit those regions of France offering the best value, such as the Languedoc, Roussillon and the areas around Bordeaux such as Côte de Fronsac, the French buyers are continually being beaten by British and American wine importers."

As a result of his expertise, Vrinat receives about 50 business proposals a year to act as consultant, to become a partner or to open the second Taillevent. So far, he has only accepted two. The first is in Tokyo where Japanese investors put up all the money for Vrinat and Joel Robuchon to open a restaurant, *boulangerie et pâtisserie* and a wine shop within a reconstructed French château.

Subsequently, he has advised on the relaunch of Prunier, the famous fish restaurant, but this arrangement is coming to an end. "Restaurateurs must come from the heart," he explained.

There were now three desserts on the table – a caramel ice-cream, a chocolate marquise with a pistachio sauce and some very alcoholic marinated cherries. I felt slightly awkward, having saved the most sensitive, personal questions for the sweetest part of the meal. But I wanted to know, living perpetually in a world of fine wine and food, he stayed so slim. Vrinat laughed. "There is no secret except I never finish a meal without cheese and dessert." He noticed the surprise on my face and politely repeated his trade secret.

Then there is the question of his succession. His daughter, Valérie, runs the wine business, but who will keep alive *l'esprit de Taillevent?* Vrinat kept smiling.

"I have the same enthusiasm and passion for this restaurant today as I had when I started 30 years ago. I have no intention of retiring and when the time comes for me to stop, a son will present itself. The right person will come along."

N.L.

Is Ribera Spain's answer to Pétrus?

It may be 20 to 30 years before we find out, says Giles MacDonogh

The words Ribera del Duero have been tripping off every tongue in the wine trade for some time now – the latest addition to every list. Even the keenest Hispanophiles only became aware of the wine as recently as the late 1980s. It was about then that Robert Parker tasted Tinto Pesquera and pronounced it Spain's answer to Château Pétrus.

At the time, we scrambled to obtain samples of this prodigy; not quite Pétrus, we decided, but impressive, modern and quite unlike the soft, vanilla-scented wines of Rioja. While we were appraising Pesquera, we began to take an interest in the thin trickle of fermented must emanating from the region.

Ribera del Duero is not really new. Vega Sicilia has been around since 1851. It is Spain's grandest, rarest,

most expensive wine; it is Lafite, Latour, Pétrus, even, all rolled into one. I remember the late Alexis Lichine telling me of his passion for Vega Sicilia over tea in Claridges. In the 1950s, he and a friend used to motor down to Pesquera, "we'd pick up a few bottles of Vega Sicilia and go to a restaurant in town where they had a ram that tugged the ewes all year round, and there was always baby lamb on the menu".

He had more luck than we did. For us, the doors of Vega Sicilia were closed and bolted. Only the lamb was available, grilled on vine

prunings or prepared in a baker's oven, and served with bread and a little salad; in this part of Spain, there

wasn't much else.

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In Franco's time, corn gained the upper hand, and people forgot the slightly astringent wines made from the Tinto fino, alias Tinto de Páis grape. This is a mutation of Tempranillo – Spain's top black cultivar, said to have been carried into the country in the baggage of Cistercian monks.

Some people like to believe that Tempranillo is itself a mutation of Pinot Noir, a grape which flourishes in Burgundy – and Burgundy is also the origin of the Cistercian order. I am sceptical. In Ribera del Duero, very few of the vines have that silkiness which typifies great Pinot Noir, and the high altitude gives them a pronounced acidity with the

taste of small black fruits. There is one estate, however, which I thought came close to great burgundy, and that was Brisko, founded by three brothers as recently as 1992, for me it was the greatest discovery of the trip.

It is a region in a state of flux. Everything seems to be either half up or half down. Old farmhouses stand plumed by their roofs, festering by the road side, while the farmer's pride and joy, his vulgar modern residence, stands puffing out its chest next door.

Half the wineries we visited were either expanding, or had simply not finished building. Many of these have been created by men who took their grapes to the Protos co-operative in Pesquera a decade ago. Then they were turned into rather cheesy, leathery wines. Others, such as the excellent Carmelo Rodero, sold their fruit to Vega Sicilia.

There seems no shortage of money, judging by the batteries of expensive stainless steel vats, pneumatic presses and new American casks. At Real Sitio de Ventosa, the largest winery in the region was being built for a former royal hunting ground which was first culti-

vated by the dukes of Lerma and Medina Celli. Some of the new men have come up from Madrid, seeking gold in those south-facing slopes.

The novelty of the region's fame means a lot of young vines. At Valduero we

even seem to be a reluctance to bottle some of the obvious sites, such as the fabulous vineyard below the castle at Peñafiel, which chiefly belongs to the local co-op, Protos.

There are exceptions: Grandes Bodegas makes a good-value Villa Lobón, and Pérez Pascuas is ready to market a more expensive single-vineyard wine, which will be as lip-puckeringly tannic as all the others they make – they work in futures.

One thing is certain, only very few vineyards have been planted in the right place for optimum quality.

The youthfulness of most of the vines means that there is the world of difference between the younger *joven* (young) or *crianza* (oak aged) wines, and the *reserva* and *gran reserva*, which receive the better fruit from the older vines. You could see that clearly at Valduero: the wines to buy were the *reserva especial* and the *gran reserva*. But (and this is generally the case in Ribera) neither is exactly cheap, the latter would cost about £25 in Britain.

Proper soil analysis is only just beginning and there are precious few single-vineyard

areas that have grown 30 per cent in the past five years. In 1984, there were just six *bodegas* in Ribera. Now there are more than 100. Vines are being planted just about anywhere, on the most unsuitable, heavy soil, because farmers are certain of selling grapes at anything between £1.25 and £1.60 a kilo.

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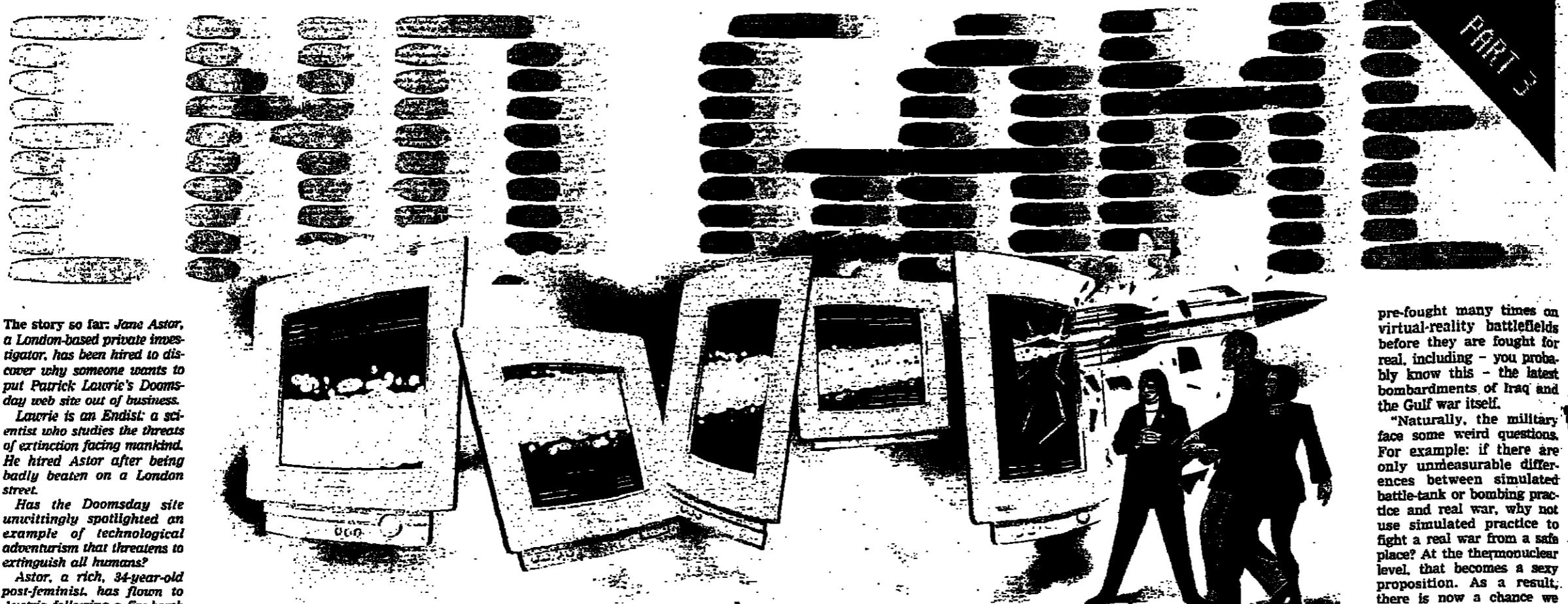
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PERSPECTIVES



The story so far: Jane Astor, a London-based private investigator, has been hired to discover why someone wants to put Patrick Lawrie's Doomsday site out of business.

Lawrie is an Endist: a scientist who studies the threats of extinction facing mankind. He hired Astor after being badly beaten on a London street.

Has the Doomsday site unwittingly spotlighted an example of technological adventurism that threatens to extinguish all humans?

Astor, a rich, 34-year-old post-feminist, has flown to Austria following a fire-bomb attack on the Doomsday site's HQ in Kitzbühel. With her is Paul Wilson, her young assistant and lover.

As this eccentric couple have realised, they are tackling their strongest case.

We make mistakes. We kill our own. That is how the late Carl Sagan, astronomer and science visionary, described the human predicament in a speech he made at Gettysburg, Pennsylvania, on July 3 1988, at the rededication of the peace memorial that marks the Battle of Gettysburg.

One of his themes was the escalation of risk. The death toll at Gettysburg was 51,000. With one or two exceptions, all of them were soldiers, said Sagan. "But in a global thermonuclear war, almost all the casualties would be civilians, including vast numbers of citizens of nations that had no part in the quarrel that led to the war, nations far removed from the northern mid-latitude 'target zone.' Everyone on earth was at risk. We had made a fool's bargain.

Even in modern industrial states, madmen could seize the reins of power. With our rock-piles of nuclear weapons and the threat of proliferation, we were gambling our lives on the sanity and sobriety of all present and future leaders. "I say this is asking too much of us," said Sagan. "Because we make mistakes. We kill our own."

Apart from nuclear wipe-out, many other potential calamities are on the horizon. They include natural disasters, such as asteroids, comets and massive stellar or other deep-space explosions. Or we could be vaporised by aliens. But the greatest variety of threats to human survival stems from our own technological prowess, and love of war.

For example, there are hundreds of different possible computer disasters heading our way, climaxing in our loss of supremacy on earth's evolutionary ladder when computers supplant us. Once they acquire our intelligence and cunning, some people say, computers will take over from us - with or without our permission.

I do not know about that. But in the last few days I have discovered that the threat of nuclear war is even greater than suggested by Carl Sagan at Gettysburg. We are at risk from nuclear war; and we are at risk from simulated nuclear war. There is an appalling possibility that we will extinguish ourselves in a nuclear war game: in a simulated nuclear confrontation that lurches - or is manipulated - out of control. Grotesquely, we may be devoured by hyper-reality.

□ □ □

My name is Jane Astor. I am a London-based private investigator, aged 34. I am single and self-employed. You can tell I am a post-feminist because I drive a flamingo-pink Peugeot 306 convertible and employ as a trainee-assistant a 21-year-old guy who is not a rocket scientist but who is sweet and keen and does a lot of gym.

His name is Paul Wilson. Paul is fit and skinny. We get on really well. He spends most of his nights at my house, which is near Marble Arch. When his clothes need washing, I send him home to his mother, Vicki, who claims to be puzzled by my relationship with

Blood is spilt as Michael Thompson-Noel concludes his three-part Jane Astor mystery

her only son. She can see what Paul gets out of his association with me, says Vicki, but she cannot see what I get. She laughs until the tears flow when I tell her that Paul is a promising trainee investigator, and excellent between the sheets.

Although I charge top whack, I do not work for the money. I work to stave off idleness. My dad was a famous golf course designer in America. When he died he left me \$3m. At the time, I was a corporate investigator at Kroll Associates in Miami. But I jacked that in, returned to London, got a cousin to invest my dad's money in equities (my \$3m has turned into \$7m), set myself up as an investigator, hired Paul on the strength of his height and dark looks - and have trundled along ever since, successfully and enjoyably.

However, my most recent case has been my most difficult. Until a few days ago, nothing added up. But finally, having found myself catapulted into the peculiar world of endism, Armageddon, hyper-reality and war games, I started to make progress.

□ □ □

Endists are people - usually philosophers - who study the natural and technological perils that endanger us all. Their subject is Doomsday. My most recent client is an Endist: a scientist named Patrick Lawrie who lives in London and owns and operates a Doomsday web site that has thousands of paying customers around the world. The site contains articles, interviews, briefing notes, speeches and scientific papers - millions of words discussing whether or not humanity is likely to be extinguished within (say) the next 500 years.

Just before hiring me, Lawrie had been savagely beaten near his Bayswater office late one night. His cheekbone was smashed, his right arm broken. A few days later, someone fire-bombed the office in Kitzbühel, Austria, from where the Doomsday site was produced.

No one was hurt in the fire-bombing, but the message was clear. There was something on the Doomsday site - some allegation, assertion or innuendo - to which someone, somewhere, took violent exception. What it was, no one could fathom, but it seemed obvious to me that Lawrie and his two Kitzbühel-based partners were in grave danger, even though I could not tell in which direction the danger lay.

When Lawrie phoned to tell me about the fire-bombing, I was at home in bed with my trainee-assistant. Lawrie's call interrupted our lovemaking, though only long enough for Lawrie to tell me that one of his partners, an Austrian named Hansjörg Koubek, had informed him that the office in Kitzbühel from which the Doomsday site was produced had been wrecked by a fire-bomb.

Lawrie couldn't go to Kitzbühel. He would be flying in the opposite direction, to a seminar in Washington. Would I go to Kitzbühel in his place, and discover what I could from Hans? Of course I would, I said.

By the time Lawrie rang off, Paul, who was lolloping against the headboard of the bed and smoking one of my cigarettes - something I normally do not tolerate - was sulking. But I soon changed

that. We resumed our lovemaking. Paul has always been an A-grade student in that department.

Five hours later we took a shower, then called a cab to take us to Heathrow where we caught a flight to Innsbruck via Zurich. In Innsbruck, to charm Paul, I waved my titanium card at the fat girl on the Hertz desk and hired Paul an electric-blue Mercedes coupé for the drive to Kitzbühel, which we reached in mid-afternoon.

I like Kitzbühel. My dad used to take me skiing there

that. We resumed our lovemaking. Paul has always been an A-grade student in that department.

"The removal of a photo,"

I told Koubek I had assumed that Patrick Lawrie had been attacked in London because the site had exposed, inadvertently, something serious: an individual or corporation, perhaps - even a government - whose scientific research was in danger of triggering some extinction-threatening catastrophe that might wipe out mankind.

"We spent days and hundreds of dollars sweeping the site," I said angrily, "without guessing that what I should have been looking for was a photograph. Are you saying that all this trouble was caused by a picture?"

"Looks like it," said Koubek phlegmatically, gesturing to the waitress to bring more bread and wine. "And - before you ask - I'll tell you what it showed." He paused melodramatically. Fiddled with a cuff-link. Fingered his tie. Paul was on the verge of laughing but I kicked him under the table.

"The photo," said Koubek slowly, "shows two guys at a table beside a swimming pool at a hotel in Tel Aviv. Both have just been in the pool - their hair is still wet. The older guy has his arm round the shoulders of the younger guy. They seem very happy with one another. The older guy is Ben Rosenbluth, an American-Lithuanian who has made a fortune investing in tiny, embryonic high-technology companies."

Paul was slurping his soup. I told him to eat quietly. "We could always get you a straw," I said, but not unkindly. Irritated by the interruption, Koubek glared at Paul before continuing.

"Rosenbluth is immensely shrewd and well informed," he said. "His main interests are molecular biology, computers, communications and defence technology, but there is hardly anything he won't look at, initially. His clout stems from the fact that he often brokers technology sales and swaps between governments, especially western and eastern European ones."

"And the younger guy?" I asked, drumming my fingers. But Koubek would not be hurried.

"The photo has been on the web site for about four weeks," he said, speaking really slowly. "We accepted it in good faith. It arrived in the post, from an official-sounding photo-agency in Jerusalem, so we stuck it on the web site. Its quality was not of the highest, but then the caption said it showed Rosenbluth and a colleague at poolside in Tel Aviv during an unpublicised government-level conference on battlefield simulation technology - computer war games. These war games are of great interest to the Doomsday site, so we happily used the photo. Anyway, Rosenbluth is a celebrity in high-tech circles."

"The younger guy in the photo," added Koubek at last, "is James Lee-Mann, an Anglo-Chinese born in Hong Kong, now domiciled in England. Lee-Mann is a mathematician - also a leading designer of war-games software. Possibly the best. He's paid millions for his work. I've brought the photo for you to see" - saying which, Koubek withdrew an envelope from an inside jacket pocket, opened it, and handed me a photograph.

It was just as he had said. The focus wasn't perfect but the faces of the two men were well defined. They were sitting thigh-to-thigh. Rosenbluth was low-browed, his

suit and heavily muscled, probably late 30s; the other one, Lee-Mann, was a slim, tall Chinese with long, glistening hair, early 20s, wearing a necklace of blue glass beads.

Reading my thoughts, Koubek told me: "Rosenbluth is 37, married, no children. His wife is wealthy and lives in Long Beach. Rosenbluth is almost never there. Spends most of his time on planes. Lee-Mann is 24 and single. Little is known about him."

"A nice looking guy," I said, pointing to Lee-Mann.

"Yeah, cool," agreed Paul appreciatively, taking the photograph from my hand. "Are they supposed to be gay, Mr Koubek? Is that why you ran the picture on the web site?"

Koubek was embarrassed. For a while, he stayed silent. Finally, he said: "You may not believe it, but such a thought occurred neither to me nor my wife. We were naive. We thought it was an informal picture of two guys from the world of *haute technologie*. Probably they were friends. Maybe they were getting cosy, businesswise. But nothing else occurred to us."

"These calls you got from Paris," I said. "Did the caller say why he wanted the photo removed from the site?"

Koubek started to stutter. "He said the photo was a fake, a smear; a deliberate attempt to imply that Rosenbluth and Lee-Mann were lovers," said Koubek, mortified.

"Is this the original photo - the one you received in the post?" I asked. Koubek nodded. "Then I need to keep it," I said. "Tell me, Hans, have you taken Rosenbluth and Lee-Mann off the Doomsday site yet, or are they still canoodling in cyberspace?"

Koubek shook his head. Irony was beyond him. "It's shrewd and well informed," he said. "His main interests are molecular biology, computers, communications and defence technology, but there is hardly anything he won't look at, initially. His clout stems from the fact that he often brokers technology sales and swaps between governments, especially western and eastern European ones."

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OUTDOORS / PROPERTY

Gardening

Rain is good for growth - and slugs

Robin Lane Fox selects the plants which impressed him most in 1998

TWO new years ago, I sat on horseback beside two practised farmers who were lamenting the vanishing level of water in nature and the damage to something called aquifers. Any self-respecting aquifer has had nothing to complain about. The long holiday season has been so unpredictable, so dark and so wet that our gardens are almost submerged as aquiferous channels burst through the lawns, flower beds and anything which lies downhill.

Among the wet and the dark, I have been taking stock of the past extraordinary year and have decided that the key themes were slugs and growth. Once again, they confirm my long-held view that gardens and stock exchanges share an unrecognised relationship.

Like adventurous British investors, gardeners see their smaller prizes being cut back at ground level from mid-summer onwards while the old and trusted favourites have powered ahead, growing since July at a speed we have not seen for years. The mild rain has prolonged their exceptional progress and this spring will keep hedge-cutters on their toes.

The final impressions of the year are those which tend to last, but I also remember a heavenly phase of early spring, carpets of all types of narcissi in flower at once, sheets of anemone blanda opening in the sun-shine and a good run of white flowers on the tall magnolias before frost in

April stopped them in their tracks. This early spring was more favoured than its predecessors because the frosts came later - at least south of Birmingham - and we all had a chance to enjoy camellias before a clear, cold night did serious damage.

Gardeners then complain that the rest of the year was cold and wet and nothing made serious progress. They are forgetting that, in 1998, borders and roses were once again a fortnight early and that old-fashioned roses had

I am one of the unfortunates who looks out on hedges over 20ft high of this beast

a wonderful window of opportunity before any rain damaged them in late June. Bedding plants were remarkably slow to make early progress as the soil stayed dry and nothing speeded into growth.

The great gainers were families which like quite a heavy rainfall in early summer if they are to flower freely from August onwards. I had some wonderful shows of flower on the crocosmias whose varieties have multiplied in catalogues during the past 10 years. Many more of us now know the orange-yellow Solferino and

here too, named varieties have been multiplying, but the best of the many I have collected is the excellent red coccinea which is also one of the easiest to find in catalogues. Six years ago, I planted mine in the blank squares left between paving stones and I have found that this site suits them admirably. Their rushy leaves soon spread and the flowers project forwards at the modest height of a foot or so as they reach out into the sun. A mild December brought most of these varieties back for a second bout of flower.

Evergreen shrubs have accelerated in the mild wet weather since September



Althaea cannabina (left) and Schizostylis coccinea: flowering in late August and from September onwards, respectively

and I never remember such progress on three of my favourites, the best escallarias, including Gwendolyn Anley, the variegated rhamnus which is my all-time favourite against a wall, and the hardy and reliable Osmanthus Burkwoodii which makes such an excellent and unusual type of hedge.

If you are hesitating about planting strategic evergreens, take heart from the rapid progress of these varieties in the past year. They all respond to a surface dressing of an artificial fertiliser on to the bare ground

around their roots from April onwards. The cheap and potent choice here is a bag of dried blood, which is then washed into the soil by rains which fall from late April onwards. Together with the recent deluge in British weather, this dressing has sent my older hedges racing away after years of drought.

What is good for a clasy evergreen is even better for the monstrous feathery Leylandii Cypress whose hedges have been the subject of such national abomination. I am one of the unfortunates who looks out on hedges of this beast which are over 20ft high, and I have to report that the second half of 1998 saw hardly credible rates of growth both forwards and upwards on old trees which I believed to have been tamed by heavy

cutting only three years ago. It will cost several hundred pounds again this spring to strip the brutes to a temporary standstill and try to restore a degree of order. If you have these monsters near you, check them again this spring because they really have accelerated in recent months.

At a lower level, I am pleased to look back on particular successes. At Chelsea Flower Show, I was one of the many who fastened on to the specialist displays of various types of half-hardy perennial Nemoria. I chose these plants for some of the low beds in prominent places in Oxford and can only endorse the enthusiasm of their breeders, who claim that they spread and flower throughout the summer and autumn.

Many more varieties will

be coming on this year, but I have had fantastic value from these free-flowering small bedding plants and recommend them all when they turn up again in May.

At a different height altogether, I have also been delighted by an old favourite. I owe it to the writings of the great Edwardian plantsman, E.A. Bowles, who describes it as "one of the best of the mallows... a goodly possession which grows 12ft or more and is wonderfully elegant and light in its branching". It is a type of wild hollyhock with leaves like a plant of cannabis, but nobody has yet arrested the neglected Althaea Cannabina. It is a plant for late August - outstandingly light and emphatic and an absolute winner in any flower bed which needs a lift.

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JOHN LEWIS

On the Move

Let the vendor beware

Anne Spackman on proposals to change the house-buying system

A refreshingly consumer-friendly response to the government's proposed changes to the house-buying system in England and Wales has been published by the National Association of Estate Agents.

It not only supports the general thrust of the government's proposals, but suggests they go much further. Most fundamentally, it recommends abandoning the principle of *caveat emptor* let the buyer beware - in favour of *caveat vendor*.

Last month the UK government produced a consultation paper aimed at tackling the slowness and inefficiency of the present house-buying system. It recommended that much of the information obtained by the buyer after an offer has been agreed should be obtained by the vendor before the property goes on the market.

The key aim is to reduce the time between offers being agreed and contracts exchanged, when many deals fall through.

The reaction of a number of estate agents and property organisations has been that the system isn't broken, so it doesn't need fixing. A typical response comes from Penelope Court of the central London agents, Beauchamp Estates: "The proposals could set up obstacles to the smooth handling of a process that has worked effectively for many years."

Some members of the National Association of Estate Agents might agree, but their report takes a very different view, as it is based on work by Tim Kaye of Birmingham University, an independent legal academic. He describes the existing system in terms more familiar to the buying and selling public: "It would appear to be highly defective and in need of root and branch review."

Kaye says the system is



dogged by uncertainty, delay and distrust. The key problem is that offers agreed "subject to contract" have no legal standing. Buyers and sellers can withdraw at any point up to the date of written exchange of contracts - and often do.

Kaye's solution is similar to the government's, only more radical. He believes selling homes should be like selling other goods, with the seller legally required to be open and honest. The principle that the buyer should be responsible for digging up any defects in the property is at the root of the problem, he argues.

His solution is to adopt a system based on that used in New South Wales, Australia. There, the vendor has to produce a pack which includes among other things a contract of sale, draft plans, a local authority search and details of any boundary disputes. This is the essence of the government's proposals.

Kaye would also require vendors to provide a survey. He argues that this is the only remaining cause of

delays in the NSW system. Even without it, he says, gazumping has virtually disappeared and legal disputes have proved rare.

The issue of vendor surveys has produced the strongest response from the property industry. Many have argued that buyers will not believe surveys produced for sellers. Kaye says buyers, as borrowers, already accept the surveys done for lenders. Moreover, he argues that negligent surveyors are already liable to both buyer and seller.

Kaye says he appreciates the problems involved in transplanting ideas from one country to another, but with the housing market and the legal system in NSW very similar to those in England and Wales, he says it should be possible. He has produced a draft bill based on the NSW Conveyancing Act and the UK Sale of Goods Act 1979.

The bill includes provision for the future establishment of a system of public notices to handle property transactions, as happens in many European countries, including France and Germany. Kaye accepts that this is an idea for the long-term and that he has given the government and the industry quite enough to be going on with for now.

Christmas Crossword solution

DEPOSITARY	PRECOCIOUS
RAPTOR	PHOBIA
EXTOL	CHAMELEON
SHILOH	SWISS
SAFETY	MATCH
SILENT	SLEEP THERE
DANGLE	EVONY
BERTHA	NHNR
UDSON	SCOOTER
PRECONCEIVE	ASMODEUS
RKUS	TRUST
OSLO	TWOQUEENS
BUD	EDGE
REMOTE	SIMPLIFIERS
IEHIG	SEA
DORMICE	ROUCOU
ECMIA	CRONIN
GRIMALKIN	EXTRAPOLATE
BLITHED	VIRGIL
OPERA	DESPERADO
OAST	MIAMI
MASTERMIND	GOING
SEANOCASEY	

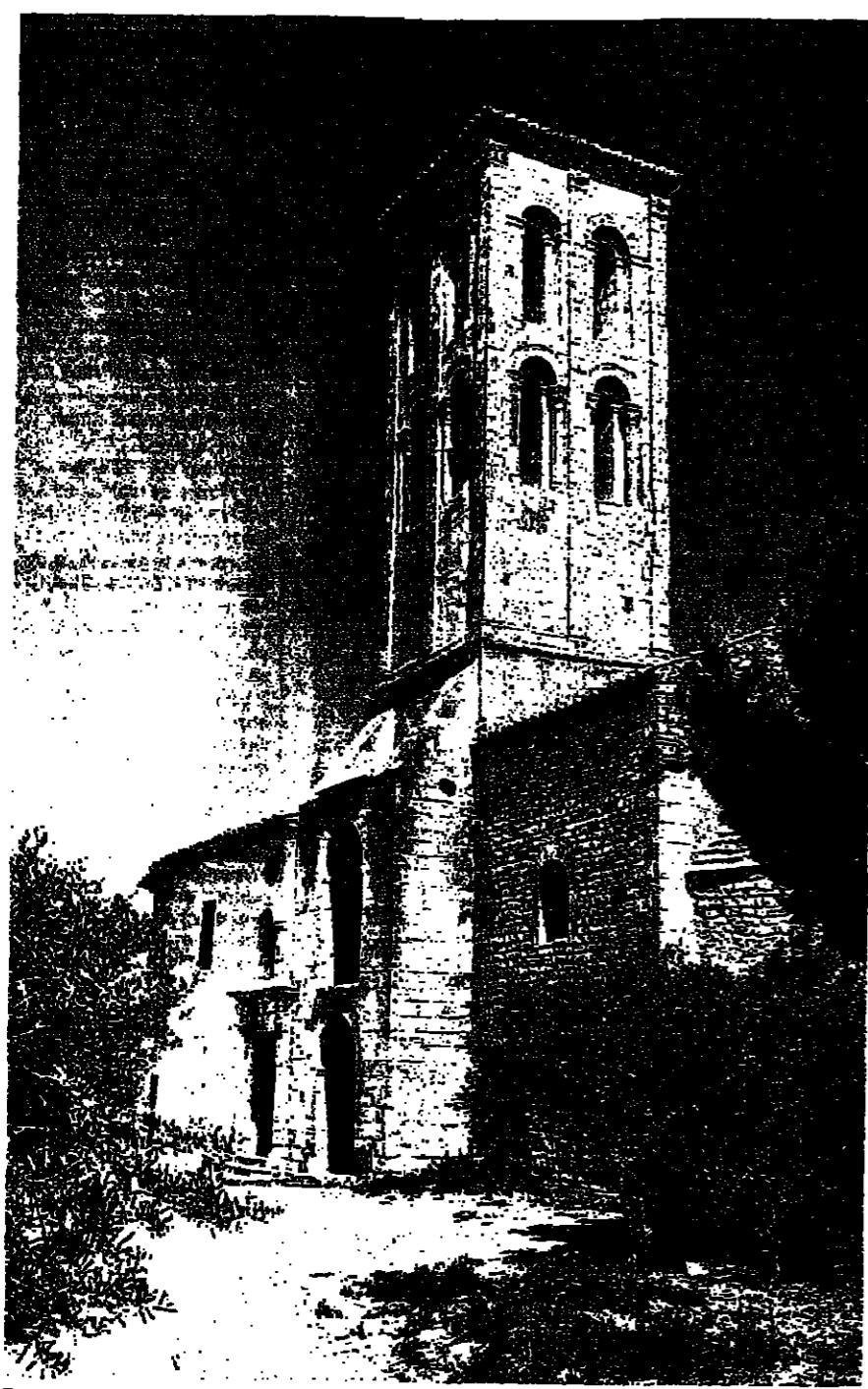
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TRAVEL

The popes had a point when it came to aperitifs

Nicholas Woodsworth relishes the region of France where he's made his home



Beaumes-de-Venise: home of delicious Muscat and Notre Dame d'Aubune church
Vaucluse Tourist

What is it about Provence - apart from 2,500 hours of sunshine a year - that makes it so alluring? The question for me was not an idle one. Twenty years ago I had chosen to live here.

There are, of course, any number of places of great southern charm stretching across Europe from Portugal to Greece. All are bathed in sunshine and ineffable Mediterranean light. All make greater or lesser claims for their landscapes, their stone farmhouses, their goat's cheese, their beautiful women and a host of other felicitous things. One could go on making such lists indefinitely.

Yet I could not explain in any succinct or comprehensive fashion what it was that made this particular place so attractive to me.

Such were my perplexities not long ago as I sat, a mid-morning *pain au chocolat* in hand, at the top of the Dentelles de Montmirail. The Dentelles are one of my favourite places in Provence. Striking formations of silvery-grey rock, they rise precipitously out of the plain on the edge of the Rhône Valley in the *département* of the Vaucluse. From here the views are nothing less than transporting.

"Dentelles" means lace, and I can see the reason for the name - the 300ft vertical

spine of rocks that runs along the top of this densely forested massif is so delicate, so thin and finely worked by forces of erosion that can indeed bring lace to mind.

High in a rocky cranny, I gazed over northern Provence. Away through the milky air, across a flat Rhône Valley drenched in soft sunshine, I could see the hills of the Cévennes.

To the north-east lay the rugged Baronnies - the first of a set of ever rougher foothills climbing to the Alps. Behind me rose the silhouette of 6,000ft Mont Ventoux, the highest peak in Provence.

Everywhere else, lapping at these prominences like a sea on fire, stretched endless vineyards that in this season wore brilliant tones of red and gold.

In such weather, I thought, I could sit and simply gaze for days. Autumn was a good time for such laziness. The hectic round of summer festivals was over, the crowds of visitors had gone home, the all-important grape harvest was safely in, Balmy and basking, the whole land lay in a kind of satisfied quiescence. I could easily do the same.

On the other hand, I reflected, I could make the 35-mile tour of the country roads that encircle the Dentelles. It is one of the prettiest circuits around. Some where down there, perhaps, lay the answer to my ques-

tion. Brushing away the last buttery crumbs of pastry, I made my way to Gigondas, the small village that lay below the rocks. Gigondas is old. The ruins of its stone citadel, its ramparts, hospice and monastery all speak of a medieval past. But its name, a derivation of the Latin *jocunditas*, or happiness, speaks of even older origins. Like Vaison-la-Romaine, some 10 miles to the north on the Dentelles circuit, Gigondas was settled by the Romans.

Why happiness? Perhaps because while Vaison was a busy garrison town - these days it is a delightful place of street-markets and music-festivals - Gigondas was settled by retired Roman soldiers who devoted themselves to wine. They established a reputation for inspired wine-making early on - Pliny the Elder mentions them in his first-century "Natural History". The village has not looked back since. Today, of Gigondas's 700 villagers, 650 are still in the business.

Off I drove southward through the vineyards, past wine-cellars and sturdy, foursquare Provençal farmhouses, past olive groves and shady stands of Mediterranean pines. The road was quiet and, apart from the occasional pop of a distant bear-hunter's gun in the Dentelles hills above me, so too was the countryside. Even Vacqueyras, the next town down the road, lay somnolent in the sunshine. It is not always so. Every July, Vacqueyras is the site of an exuberant wine festival that takes over the town. On the main square, tables are laid in the shade of plane trees and vast meals are served *al fresco* to hundreds of celebrants.

In every narrow, winding street, stands are set up for the free and unlimited consumption of Côtes du Rhône wines. One simply grabs a glass and, amid music, merrymaking and dancing, sips

the Dentelles looked very beautiful and very undiscovered

all so good I came away with bottles of each.

A good aperitif deserves a good lunch. A short drive from Beaumes around the bottom of the Dentelles brought me to the village of Le Barroux. Which was the more impressive, its *château* or its restaurant?

I am not sure. The massive 12th century castle on the top of the hill was ornate and preceded by extravagantly watchtowers. My meal at the charming Les Geroulums, a *brouillade d'agneau à l'argouane* - stew of lamb, green olives and preserved orange - was also ornate. It, too, was prepared by extravagance - a terrine of multi-coloured layers of tomato, black olive and parsley omelette.

In the restaurant parking lot I met Janet Norton, a modern Freya Stark who, equipped with walking stick, pack and a stout pair of shoes, was researching a book on walking in Provence. What did she think, I asked, of the many trails that criss-cross the forests of the Dentelles?

Men have lived here for thousands of years, exploring this land intensively. In this mix of the natural and the cosmopolitan, the wild and the civilised - mountains, châteaux, street-markets, *garrigue* and all the rest - nothing overwhelms anything else.

There is some sort of genius there. Add to it a lot of sunshine, I thought as I drove home to my own little village, and you have somewhere to live.



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Weekend FT

The Spanish town became bigger, but it never wholly lost the aristocratic cachet it possessed at birth. Giles MacDonogh explains why

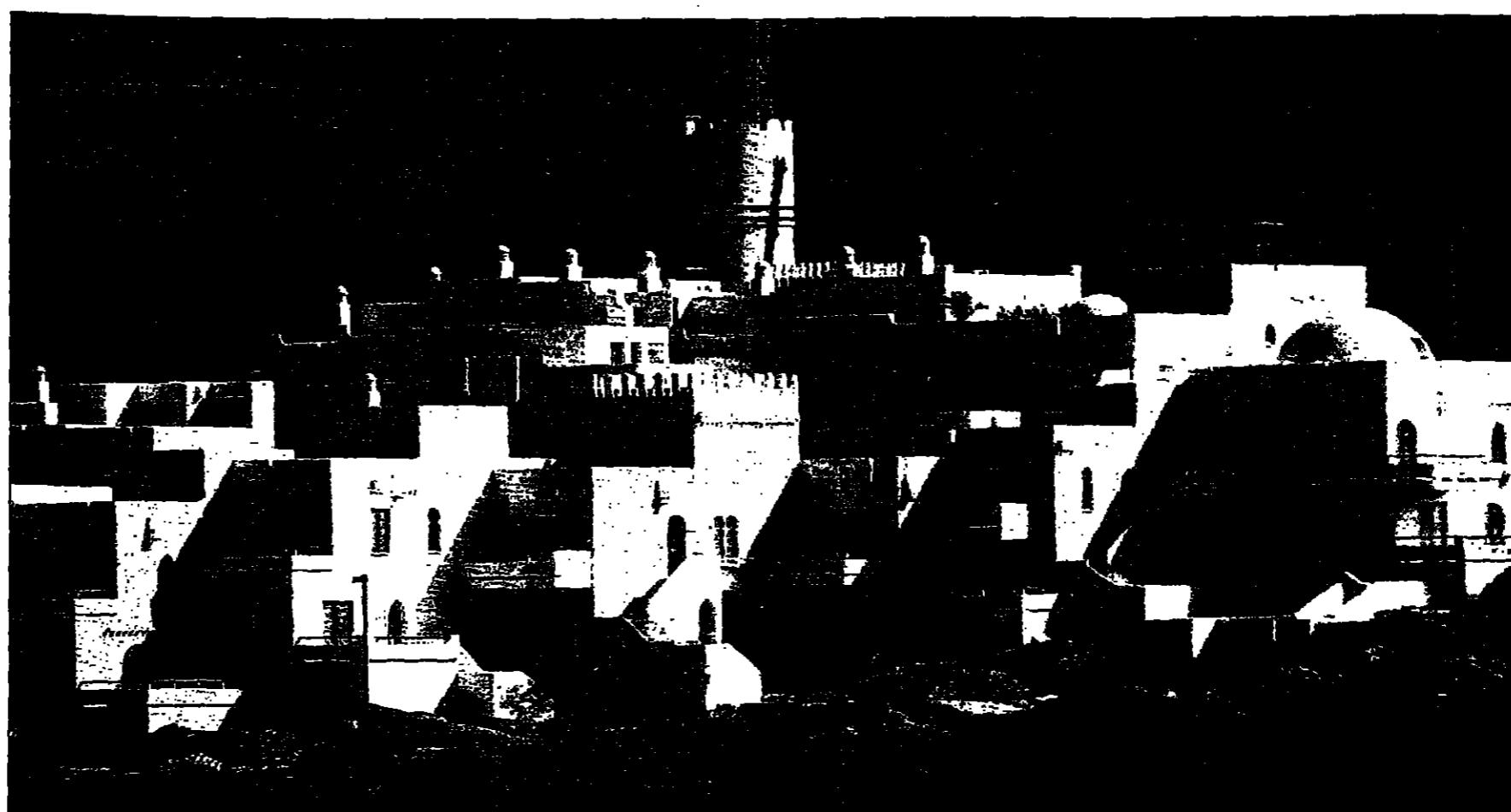
It is not given to many people to have the main street of a large town renamed in their honour; even fewer receive that accolade in their own lifetimes. Nelson Mandela is certainly already the dedicatee of several boulevards, but with the exception of Prince Alfonso de Hohenlohe in Marbella, I am hard-pressed to offer you any others.

Hohenlohe is very much alive and busy. I met him at his *fincas* near the Andalucian town of Ronda. He lives between there and Mexico in hyperactive retirement. When he is in Spain he is just 1½ hours' drive from Marbella, the town he created half a century ago.

The prince is the product of a more genteel Europe which was shaken by one world war, and all but wiped out by another. The high-sounding name originated in German Francia, but its branch of the Hohenlohe-Langenburgs lived in Bohemia until Czech nationalists and communists drove them from their land after 1945.

He was fortunate in having strong links with Spain and his family not only possessed a *fincas* near El Escorial, but they also owned the old Malaga wine firm of Scholtz Hermanos. His mother was the daughter of the Mexican ambassador to Vienna and Hohenlohe's father met her at a ball there in the 1920s. When a child was born he was named after King Alfonso XIII, and a Battenberg princess was appointed as godmother.

After the war the Spanish inheritance came into its own. One now famous day in 1946, Hohenlohe and his uncle Ricardo Soriano were



Marbella: northern Europeans come for the winter, Spaniards for the summer, and it just got bigger and bigger

Telegraph Colour Library

The prince of Marbella



Prince Alfonso: keeping busy

travelling from Gibraltar and Málaga in a Rolls-Royce powered by a charcoal burner. They stopped on the road and went for a swim. There was an old farmhouse but otherwise nothing. Instantly, however, they saw its potential. Soriano bought the house and Hohenlohe convinced his father that Andalucia would be a far better place to spend the summer than San Sebastian, where the weather was capricious and it occasionally rained. They sold off the cellars in Málaga and invested the money they obtained by building the first house in "Marbella".

In its initial incarnation, Marbella resembled a new Marlenbad: an exclusively aristocratic watering hole. The displaced grandees of Mitteleuropa were the first

to come: Bismarcks and Metternichs fed up with post-war austerity. At first they stayed in the house as paying guests, but as Marbella gained in popularity they ran out of room. Hohenlohe's house was sold to the Rothschilds and the farm-house was turned into a hotel - the famous Marbella Club.

"They came in waves," says Prince Alfonso. After the noblemen, it was the Gibraltarians, who wintered in the new resort during the 1950s. They were succeeded by *pieds noirs* (rich colonists from French and Spanish north Africa), the English and the Arabs. Hohenlohe counts it as a personal coup that he managed to lure in the crown prince - now king - of Saudi Arabia in 1970, finding him suitable

Ferdinand and Isabella turn the Arabs out, Alfonso de Hohenlohe brings them back."

Marbella got bigger and

bigger, but it never wholly lost the aristocratic cachet it possessed at birth. Northern Europeans came for the winter, Spaniards for the summer. In the 1950s, Hohenlohe created his first disco in the Beach Club, where he was later to introduce stereophonic sound to Marbella at Tuesday and Friday night rave-ups. Until then, music had been live: "People simply couldn't bear to listen to their ears."

It was a success. Hohenlohe attributed it to "the style, the gardens, the security and the climate". Hotels were starting up all over the new town. The Horcher family, the most famous restaura-

teurs of the Third Reich, came out of exile in Madrid to open La Fonda. By 1978, however, Hohenlohe's vision had been eclipsed: Marbella had gone out of control.

He sold out and 15 years ago he bought the estate

near Ronda. At a safe distance he could watch the developments and the most recent waves. The Russians have been the latest, blazing a trail involving some death and a little destruction.

More controversial is the mayor, Jesus Gil, who seems anxious to restore the imbalance in the town's budget by making the last of Marbella's green spaces available for building. No one appears to know how many people live there, but estimates are in excess of 100,000. The resort is losing its exclusiveness; the actor Sean Connery is

one of those selling. I asked Hohenlohe what he thought of all this. He shrugged and smiled, but he was clearly concerned: "Marbella is like my son, I don't want to spoil my son."

He has other concerns now. There are his vines, 50 acres (20 hectares) around his country house. Some time after he moved up to Ronda, Hohenlohe was visited by the wine-making Marqués de Grinon.

Like Hohenlohe, in 1946, Grinon saw possibilities. On the advice of the oenologist Michel Rolland, soil samples were dispatched to the University of Bordeaux. The scientists were impressed and in 1981 Hohenlohe set out to make his own version of his favourite wine: the first growth Château Cheval Blanc in Saint Emilion.

There were problems at first. His first Tempranillo, Cabernet Sauvignon, Merlot, Petit Verdot and Syrah plants were held up by customs on the French border. Hohenlohe had just celebrated his latest wedding, an event which had been given considerable space in the gossip magazine *Hola!*. When the officer heard Prince Alfonso's name he stood to attention: "That Prince Hohenlohe!" The vines continued their journey to Andalucia.

In 1992, Hohenlohe already had 10,000 litres of wine of the first to be made since phylloxera destroyed Ronda's vineyards a century before. Last year he made 110,000. I was sceptical about this strange "Saint Emilion" aged in old Margaux barrels in the wilds of Andalucia, but I had to drink my words. Both the 1986 and the 1993 were rich, sinewy, distinguished wines. The 1993 is the better of the two, with a jot more staying power than the 1986, but then, neither is exactly weeds.

The wine venture has paid off. Already the Madrid-based Club des Gourmets has purchased a quarter of his stock and he has opened a restaurant on his estate where visitors can enjoy the wine along with Hohenlohe's own ewes' milk cheese, olive oil, ham, wild boar and partridges.

You would have thought that the vineyard was sufficient for a retirement project, but no. Hohenlohe is looking at the other side of Andalucia: to the unspoilt coast of sherry country and Sanlúcar de Barrameda. Here he hopes to open three hotels in the immediate future, one in the port, with its associations with Christopher Columbus, and two in the country on land reclaimed from grubbed-up vineyards complete with golf courses and tennis courts.

If this latest dream comes true, who knows? He might get a boulevard in Sanlúcar too.

■ For inquiries about Hohenlohe's wines, or the restaurant, call +34 95 11 41 31 or 95 21 65 201.

■ GB Airways (tel: 0890-111666) flies to Malaga from London Gatwick and Heathrow from £175 return and to Gibraltar from £149 return.

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Luxury crewed yachts - both sail and power - in the 60-200ft range and of the very highest calibre available for charter Mediterranean, Caribbean and worldwide.

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Motoring

Country cars for thrusting townies

Stuart Marshall on 4 x 4s that are a far cry from the old toughies

How simple life used to be when there were only two kinds of four-wheel drive vehicle. There were rough, tough, working types for farmers, and tattered-up recreational versions for people who fancied driving something that smacked of broad acres, even though they would be used in exactly the same way as normal cars.

The rough toughies still exist but form a tiny minority. Most 4 x 4s are now niche vehicles, bought as alternatives to all kinds of car, from luxury saloon to roomy estate, to sporty hatchback to sporty two-seater.

Towards the end of last year several new 4 x 4s (Land Rover New Discovery and Jeep's New Grand Cherokee among them) made their bow, and there are signs the rush will continue this year. Manufacturers, or at any rate their advertising agencies, continue to promote the idea that all 4 x 4s

are going to be used to cross deserts, ford raging torrents, and climb snowy mountains. In most instances this is pure myth. Actually, it becomes harder as each year passes to find rough terrain on which to bring around a 4 x 4 without offending the law, environmentalists or both. Land Rover, however, reckons that almost one Discovery owner in four goes off the road each week. I find this hard to believe, unless going off road includes pavement parking outside the paper shop, or mounting grass verges on narrow country lanes during the school run.

And yet, because manufacturers believe their customers insist their vehicles must be able to cope with wild blue yonder motoring, they have a built-in suspension problem.

Two of the best-known - Chrysler, Jeep and Land Rover - have long been wedded to beam axles simply because nothing beats them on the sort of terrain only

seen on press launches and similar off-roading jollies. Most other manufacturers adopted independent front suspension to smooth the on-road ride and make handling more like a car than a truck.

But change is in the air. With the Freelander, which it admits is aimed at owners who will spend all, or nearly all, their time driving on hard roads, Land Rover broke away from its only-beam-axes-will-do philosophy.

Freelander still looks more or less like a proper off-road vehicle, but rides and handles on road like a normal car. So do the Subaru Forester and its bigger brother, the Legacy Outback, which tackle the problem the other way round. They are proper estate cars, but have all-wheel drive and enough ground clearance for as much off-roading as most owners have in mind.

The US-built Mercedes M-class on/off road vehicle, which comes to Britain in a few weeks, has fully inde-

pendent suspension and, I am told, ride comfort and road performance generally closer to what one expects of a Mercedes saloon than any 4 x 4. (I shall find out for myself later this month.)

Its off-road mobility depends on all-wheel drive with electronic systems that curb wheelspin and allocate power to the tyres with most grip. In extremes, a beam-axed Land Rover Discovery or Jeep Grand Cherokee might well leave an M-class floundering - but is this important to 99 per cent of customers? Mercedes thinks not.

BMW has similar customers in mind for its latest product, the X5 sports activity vehicle, which makes its debut at the Detroit motor show today, goes on sale in the US by the end of this year and reaches Britain in summer 2000.

It has all-wheel drive and electronic hill descent control (pioneered by Land Rover in the Freelander) for off-roading but its habitat will be the country club, not

the boondocks. BMW says the X5 has the agility of one of its saloon cars plus space and practicality. In size, it is closer to a 3-Series Touring than a Land Rover Discovery. Engines will include a new 3.0-litre common rail turbo-diesel combining exceptional muscularity with the potential fuel economy of a small family car.

Audi, too, has just announced it is going to make a car cast in a similar mould to the BMW X5. The Allroad Quattro, that will start coming off a German assembly line in February next year, uses an Audi A6 Avant body but has three-stage, height-adjustable air suspension and a reduction gear transmission for tackling difficult terrain. Two V6 engines, one a petrol unit with a double turbocharger, the other an advanced turbodiesel, will be offered.

More affordable cars similar to the X5 and Allroad Quattro are likely to be offered by high-volume manufacturers. But the more

conventional on-off road sports utility is alive and well. The £29,995 Suzuki Jimny that reached British buyers last autumn looks smart enough to use around town. But, as it has a proper off-roader's two-range transmission and ample ground clearance, it is also a surprisingly competent performer over what one might call Land Rover country.

Possibly encouraged by the continuing success of Chrysler Jeeps in Britain, General Motors has decided to dip its toe into the premium four-wheel drive market with the Chevrolet Blazer.

This 4.6-litre V6 4 x 4 estate car has manual or automatic transmission, a very good on-road ride - apart from the inevitable rear-axle thump on broken surfaces - and understated lines. Prices from £22,925 (manual) to £24,925 (Lux Auto) are quite keen and the Blazer will be available from Cadillac dealerships in the UK in a few days.

Deals on Wheels Just forget the niggles

For under £40,000 and with 50,000 miles on the clock there is no better buy than a Bentley Turbo R. An Audi A8 2.8, BMW 735, Jaguar XJ8 4.0 and Mercedes S-class 2.8 all cost more new and these are the poverty models; even the cheapest Range Rover is more.

Not that I would recommend the Turbo R as an everyday car. You would soon find the running costs enough to understand the attraction of continental rivals. If the annual mileage could be kept below 7,500, the mathematics start to make sense. Fuel consumption, that most visible of expenses, would not be cause for complaint if depreciation were discussed.

Nobody would be rash enough to claim this Bentley will not lose further value, but it will do so at a steadier rate than anything more modern.

Insurance can be cheap on a limited mileage basis and maintenance can be contained if a reputable (but not franchised) dealer is used.

What will the money buy you? A truly magnificent car that will impress you in quiet comfort, although no longer in clock-ticking silence - that died with quartz and aluminium engines giving high output sufficient to move a heavy car at decent speeds. The highest quality leather

from Scandinavian cows covers large areas and there's a silvery swathe of burr walnut from Italy. To see the wood when there are no instruments in the dashboard is a triumph of craftsmanship. Few appreciate the subtlety of the mirror image wood and its individuality.

Luxury notwithstanding, there are some irritants. Wind noise can stifle a conversation and leather's low friction might mean passengers bump into each other. All this will only happen though at the illegal speeds this car can reach.

The chassis was never designed for the inputs the Turbo R is capable of and it often complains as it goes about its work. The car is, of course, sizeable and could be a tight fit for the garage.

Nevertheless forget all the niggles. Buy it and enjoy the car for what it is. Sit in traffic jams noticing how uncomfortable and small all the other cars seem. Adjust the sound system to drown out the few remaining external distractions.

Destroy a young upstart in his GTI with the F's breathtaking performance or just allow him to think he is superior.

You may not admire this car's looks but you will love its abilities. Start a journey tired and end it relaxed.

Anthony Cazalet



The boxer still known as Prince fighting Wayne McCullough, in Atlantic City in October last year.

Boxing

Profit and honours

But Naseem Hamed's career is coming apart, says Keith Wheatley

split with Ingle, the gym where he has trained every day of his adult life is no longer open to him. The Hamed brothers who now form Naseem's management "entourage" say an American trainer has been signed, but will give no details.

Hamed's last few fights have been lacklustre affairs, with the champion struggling to prevail. His next match, against an as yet unknown opponent, needs to be significant if he is to re-establish his momentum.

"He's at a crisis point in his career," says former world champion and Sky TV commentator Barry McGuigan. "He needs to excite people again and he can only do that by fighting dangerous opponents. Naz badly needs to reaffirm his position."

"I think he's got carried away with his own importance and started to believe his own hype. Plus [there is] the oldest problem in boxing when the mean, hungry fighter becomes the rich young man about town and loses his appetite for the game. He'll need a good trainer."

However, the boxer has more pressing problems. He is scheduled to defend his title in March and at present has no trainer. After the

footwork and movement. He just wanted to knock everybody out, banging them about. I don't need it any more. I've plenty of good young fighters coming on."

With Ingle out of the picture, one might expect Hamed to be looking to promoter Frank Warren to provide continuity in his young life and career. However,

relations between the two

say there are a number of outstanding issues before anything can be settled.

With his high court battle against Don King due to start in London on Monday, and a subsequent battle against the taxman looming, Warren probably has more urgent matters on his mind.

"Legal cases seem to be what Frank is all about. There is always something he wants to stand up in court and fight over," laments Riath, who has progressed steadily towards controlling the business side of his sibling's career during the past three years. Riath has a degree in politics and worked as a local authority translator before moving to what has become the family business.

The whole operation has now moved into plush offices in a converted confectionery factory in a fashionable Sheffield suburb.

The corporate HQ is called Prince House and runs smoothly in the marketing of its single product.

Riath has often said that he assumed his present role at his brother's request rather than through personal interest in the fight game. "At first I didn't really want to be in it, to be in the boxing game, but Naz said he would rather have me than anyone dodgy handling

his affairs," he explained in *The Paddy and The Prince*.

McGuigan says that even with his history, for Hamed, the family will still need an experienced promoter. "Riath can't do it on his own, and that's not a personal criticism of the man," says the former world champion.

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INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
 ● Adriaen de Vries (1566-1626): Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II among other European courts. Around 40 bronzes will be on display, borrowed from public and private collections in Europe and the US. One highlight will be the fountain statues from the gardens of the Swedish palace of Drottningholm, reconstructed in the museum's Gallery of Honour; to Mar 14
 ● Japanese Scrolls 40 works from the collection of the Kumamoto Prefectural Museum of Art in Japan. These include depictions of courtesans, daily life and poetic illustrations of nature; to Jan 17
 ● The Festival of Lithography: celebration of the 200th anniversary of the discovery of lithography. The exhibition consists of works from the collection, including lithographs by Toulouse-Lautrec, works by Cézanne, Manet, and Dutch artists including Van Gogh; to Jan 10

BARCELONA

EXHIBITIONS

Fundació Joan Miró
Tel: 34-93-329 1908
www.bcn.miró.es
 Magritte: an exhibition celebrating the centenary of René Magritte's birth. It contains over 90 paintings and 50 photographs by the Belgian Surrealist, which are grouped into 5 recurrent themes from his work; to Feb 7

Museu Picasso

Tel: 34-3-319 6310
 Picasso - Engravings 1900-1942: temporary exhibition with more than 250 works from the Musée Picasso in Paris. It presents Picasso's engravings as a diary, a daily examination of his emotions: it follows the different themes and techniques that inform the artist's work; to Apr 4

BERLIN

EXHIBITION

Hamburger Bahnhof
 Sensation: works from the Saatchi collection of Young British Artists including Damien Hirst, Rachel Whiteread and the Chapman brothers. Originated at the Royal Academy in London last year, where it attracted 350,000 visitors and maximum publicity; to Jan 17

BIRMINGHAM

EXHIBITION

Birmingham Museums and Art Gallery
Tel: 44-121-235 2834
 Sir Edward Burne-Jones: comprising more than 200 works, including tapestries and jewellery as well as paintings. A second generation Pre-Raphaelite, Burne-Jones had a lifelong working relationship with William Morris, for whose firm he worked as a principal designer. The exhibition will travel to Paris later this year; to Jan 17

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-228-917 1200
www.kah-bonn.de
 High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Papal Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted, as well as detailing the contexts in which they were produced; to Apr 11

CHICAGO

EXHIBITION

Art Institute Of Chicago
Tel: 1-312-443 3600
www.artic.edu
 Mary Cassatt: Modern Woman. 125 paintings, drawings and prints by the only American invited to exhibit in the Impressionist exhibitions in Paris. Closely associated with Degas, Monet and Pisarro, in later life she became a famed collector and patron; to Jan 10

COLOGNE

OPERA

Oper der Stadt
Tel: 49-221-221 8240
 Die Vögel: first modern staging for Walter Braunfels's opera. Premiered in 1920, it was banned by the Nazis and largely forgotten until a recent recording. This production is conducted by Bruno Weil and staged by David Mouchtar-Samora; Jan 15

COPENHAGEN

EXHIBITION

Louisiana Museum of Modern Art, Humlebaek
Tel: 45-4919 0719
www.louisiana.dk
 Joan Miró: major retrospective comprising 140 paintings, drawings and sculptures, including works borrowed from the artist's family since the exhibition was shown in Stockholm over the summer; to Jan 10

DUBLIN

THEATRE

Abbey Theatre
Tel: 353-1-878 7222
 The Rivals: by Sheridan. New production directed by Brian Brady



A series of stamps honouring the 50th anniversary of the New York City Ballet next week will feature selections from the repertory

and designed by Conor Murphy, with lighting by Trevor Dawson; to Jan 23

EDINBURGH

EXHIBITIONS

National Gallery of Scotland

Tel: 44-131-624 6200

Turner Watercolours: shown every January for 90 years, this magnificent selection of 38 watercolours was bequeathed by Victorian collector Henry Vaughan in 1900; to Jan 31

SCOTTISH NATIONAL PORTRAIT GALLERY

Tel: 44-131-624 6200

John Ruskin: exhibition exploring the influence of the Victorian critic and theorist. Includes drawings, watercolours and photographs; to Mar 7

FLORENCE

EXHIBITION

Palazzo Pitti

La Dame con l'Ermellino: Leonardo da Vinci's 1485 portrait of the young mistress of Duke Ludovico of Milan travels to Italy for the first time since 1800, when it was purchased by the Polish Prince Czartoryski; to Jan 24

FRANKFURT

EXHIBITION

Schim Kunsthalle

Tel: 49-69-299 8820

Treasures from King Zhao Mo: king Zhao Mo's tomb, sealed in 122 BC, was accidentally discovered in 1983 by construction workers. This exhibition displays the many treasures buried with Zhao Mo, the first time they have been seen in the west; to Jan 22

HAMBURG

EXHIBITION

Kunsthalle

Tel: 49-69-299 8820

Treasures from King Zhao Mo: king Zhao Mo's tomb, sealed in 122 BC, was accidentally discovered in 1983 by construction workers. This exhibition displays the many treasures buried with Zhao Mo, the first time they have been seen in the west; to Jan 22

HELSINKI

EXHIBITION

Museum of Contemporary Art

Tel: 358-0-173 361

Bruce Nauman: spanning the career of the American artist, b.1941, this exhibition focuses on his relationship with language, and includes sound and video installations as well as neon pieces like One hundred live and die (1984); to Jan 24

HOUSTON

EXHIBITIONS

Museum of Fine Arts, Houston

Tel: 1-713-639 7750

● A Grand Design: The Art of the Victoria and Albert Museum. North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood, presented in sections which address changes in the institution's collecting policy; to Jan 10

● Brassai: The Eye of Paris. A retrospective of Brassai's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassai celebrated that city in photographic series like 'Dance', 'Society' and 'Graffiti'. The exhibition includes the widely-acclaimed 'Paris at

Night' series: photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Farjeau. Also on view are portraits of other artists and writers of Brassai's time, among them Dalí, Picasso and Gérard; to Feb 28

LAUSANNE

EXHIBITION

Musée Cantonal des Beaux-Arts

Tel: 41-21-312 8332

Courbet - artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially that produced during his exile in Switzerland; to Feb 21

LISBON

EXHIBITION

Fundação Arpad Szemes - Vieira da Silva

Tel: 351-1-388 0044

Alberto Giacometti: Arpad Szemes and Vieira da Silva met Giacometti in the 1930s, through gallery owner Jeanne Bucher. The 19 sculptures and 20 drawings on display here are loaned by the Maeght Foundation, Saint-Paul, and include such famous pieces as Femme de Venise and Homme qui marche; to Jan 31

LONDON

CONCERTS

Barbican Hall

Tel: 44-171-638 8891

● BBC Symphony Orchestra and Chorus: conducted by Andrew Davis in works by Messiaen. With piano soloist Stephen Osborne; Jan 16

● London Symphony Orchestra: conducted by Ryusuke Numajiri in works by Saint-Saëns and Tchaikovsky, as well as the UK premiere of Sofia Gubaidulina's 'The Canticle of the Sun'. Featuring cello soloist Mstislav Rostropovich; Jan 13

EXHIBITIONS

British Museum

Tel: 44-171-636 1555

The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-16), and plant and animal drawings; to Apr 18

Royal Academy of Arts

Tel: 44-171-300 8000

Charlotte Salomon: born in Berlin in 1917, Charlotte Salomon died in Auschwitz in 1943, after living in hiding in the south of France for three years, during which time she produced a series of 76 gouaches called Life? Or Theatre?, exhibited here, which has been interpreted as a form of self-protection against the violence of the Nazi era; to Jan 17

TATE GALLERY

Tel: 44-171-887 8000

● John Singer Sargent: large-scale retrospective containing 150 paintings, including major public and private loans. Includes late landscapes and American and British society portraits from the 1880s to the early 1900s; to Jan 17

● Turner in the Alps: undertaken in 1802, this was J.M.W.Turner's first visit to continental Europe. The exhibition contains 58 works on paper, revealing the artist's initial impressions of the inspiring landscapes he encountered;

to Feb 14

Victoria and Albert Museum

Tel: 44-171-938 8500

● Aubrey Beardsley: more than 200 drawings, prints, posters and books created during the brief period of the artist's fame. A member of the fin-de-siècle avant-garde, Beardsley left England for Dieppe following Wilde's disastrous libel action and subsequent imprisonment in 1895. The exhibition marks the centenary of Beardsley's tragically early death, aged 25; to Jan 10

● Grinling Gibbons and the Art of Carving: drawings, carvings and religious reliefs are displayed alongside the Cosimo panel, commissioned by Charles II and the woodcarver's masterpiece. The exhibition also aims to present some historical context; to Jan 31

THEATRE

Albery

Tel: 44-171-876 1115

Mr Puntis and his man Matti: Kathryn Hunter's production of Brecht's satirical comedy moves from its October run in the Almeida Theatre to the West End. Comedie duo Sean Foley and Hamish McColl play the title roles; to Jan 9

National Theatre

Tel: 44-171-928 2252

Betrayal: by Harold Pinter. Trevor Nunn directs Pinter's 1978 play, with a cast including Anthony Calf and Imogen Stubbs; Lyttleton Theatre; Jan 9, 11, 12

LOS ANGELES

OPERA

L.A. Opera, Dorothy Chandler Pavilion

Tel: 1-213-972 8001

Madame Butterfly: by Puccini. Conducted by Marco Guidarini and directed by Christopher Marlowe. With a cast including Yoko Watanabe, Richard Leech and John Atkins; Jan 10, 13, 16

MADRID

EXHIBITION

Fundación Juan March

Tel: 91-435-48 40/435-42 40

Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1976. They detail Chagall's progression through styles as Expressionism, Cubism and Surrealism; from Jan 15 to Jan 17

● The Nature of Islamic Ornament, Part II: Vegetal Patterns. Second in a four-part series on Islamic ornament from the 9th to the 18th century. Includes rare brocades and carpets; to Jan 17

● Sacred Visions: Early Paintings from Central Tibet. 80 works from the 11th to the mid-15th century, including thangkas (paintings on cloth), painted book covers and related sculptures; to Jan 17

● Mary Cassatt: Drawings and Prints. Coinciding with a major retrospective at the Art Institute of Chicago, the Metropolitan Museum has organised an exhibition of most of its extensive collection of Cassatt's work. The quintessential American artist in search of European experience, Cassatt used Impressionist techniques to depict the lives of women in and around Paris, increasingly concentrating on mothers or nurses with children; to Jan 17

● Marc Chagall: From Russia to France. 100 drawings by the Russian-French painter, produced between 1909 and 1976. They detail Chagall's progression through styles as Expressionism, Cubism and Surrealism; from Jan 15 to Jan 17

● Projects 66: Campana/Ingo Maurer. Exhibition bringing together works by German lighting designer Ingo Maurer and Brazilian furniture designers Fernando and Humberto Campana; to Jan 19

MILAN

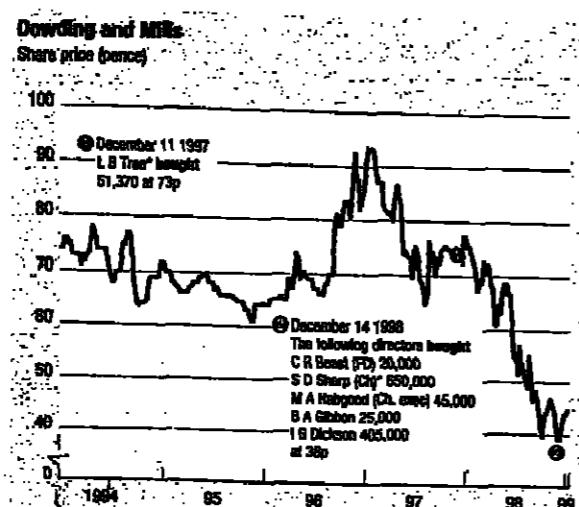
OPERA

Haus der Kunst

Tel: 49-99-2172 00

● Lyonel Feininger (1871-1956): From Germany to America. First comprehensive retrospective of the German-American painter, who was forced to leave Germany during the 1930s and subsequently worked in New York. The 120 works on display include important public and private loans, and paintings by some of Feininger's contemporaries; to Jan 24

WEEKEND INVESTOR



Directors' dealings

Five buy at low price

One of the largest buys of the week was at Dowding and Mills, in the electronic and electrical sector, writes Chris Hill. Five directors acquired shares worth £405,000. The largest purchase was by Simon Sharp, non-executive chairman, who paid 85p a share to increase his holding by 50,000. The purchase comes at a time when the stock has hit an all-time low.

□ Four directors at Spring Group, a recruitment consultant, bought 254,600 shares at 100p. One sizeable seller managed to offload a large overhang of stock, relieving downward pressure on the price. Those that picked up the shares, including these directors, will have benefited from a resulting jump in the price of more than 20 per cent.

□ Iain Alexander, a director of Monument Oil & Gas, sold 280,000 shares at 40p. James Guest, a fellow executive, exercised a total of 332,072 options and sold 100 per cent of the resulting stock. This deal followed the announcement that PowerGen is to pay Monument 511/m for a long-term, cut-price gas supply.

Directors' share dealings

Transactions in own companies
21st-26th December 1998

Company Sector Shares £'000 No of directors

SALES			
Yule Catto & Co.	Chem	382,055	960
ASTEC (BSR)	E&E	42,000	36
Nestor Healthcare	Hlth	50,000	200
Charles Taylor Grp	Ins	620,000	1550
Newcastle United	L&H	8,000,000	10,001
Rathbone Brothers	Offf	11,400	59
Chelsea Village Plc	Prop	100,000	78
Mucklow (A & J)	Prop	33,605	50
Atkins WS	SSer	4,000	19
Rolls & Nolan	SSer	100,000	170
Securicor plc	Tel	12,600	61
National Express	Tms	92,500	1,016
Smith & Nephew Plc.	Hlth	80,000	140
Sedgwick Group	Ins	434,847	988
Granada Group	L&H	145,000	721
Logica	SSer	117,790	621
PURCHASES			
Ambleside Pub Co	Brew	4,000	24
Grange Chez Gerard	Brew	32,000	71
Canadian	BMAM	19,655	19
Shaw (Arthur)	BMAM	2,000,000	20
Jackson Group	Cons	18,000	1
Moviem (J)	Cons	22,000	21
Brammer	Dist	29,645	16
ISA International	Distr	1,224,805	412
Centronic Tech.	Ente	130,092	19
Dowding & M.	E&E	60,000	25
BBA Group	Eng	5,000	3
H-Tec Sports	HGosd	274,000	47
Cox Insurance Holdings	Ins	77,808	180
Gresham Insurance	Ins	60,324	71
Hiscox	Ins	135,006	236
Warrant & Value IT	InvT	63,000	25
Taurus Group	Media	75,000	36
Pacific Media	Media	24m	312
Premier Asset Man	Media	410,000	50
Reaxim	PPAP	87,890	146
Cap. & Reg. Prop	Prop	30,500	49
Aggreko	SSer	64,448	115
Card Clear	SSer	75,000	33
Spring Group	SSer	71,000	89
Coll Telecom	Tel	6,902	66
Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions listed and Abn, including exercise of options. (*) If 100% subsequently sold, with a value over £10,000, information released by the Stock Exchange. Shares traded are ordinary, unless otherwise stated.			
Source: BARRA The Inside Track, Edinburgh, 0131-473 7070			

Directors' share dealings

Transactions in own companies:

14-18 December 1998

Company Sector Shares £'000 No of directors

SALES			
Horus	Eng	15,000	19
Ins	20,000	22	
Daly Mall & Gen.	Media	78,149	202
Monument Oil & Gas	OME	250,000	112
Gerard Group	Offf	10,000	32
Zofarform	Prop	1,330,029	1894
Chelsea Village Plc	Prop	150,000	111
Mars & Spencer	Retd	10,000	1
Mars & Spencer	Retd	125,887	735
Adams Vt	SSer	80,000	404
Danson Holdings	SSer	612,000	948
Securicor plc	Tel	8,000	29
Avis Europe plc	Tms	130,000	233
Enterprise Inns plc	Brew	1,014,000	905
Anglo Group	Media	322,072	129
Marine Oil & Gas	OME	571,714	1258
Chivas	Phrm	38,041	146
Mars & Spencer	Retd	213,000	1
PURCHASES			
Bass	Brew	8,000	47
Carlsberg	BMAM	100,000	88
Coronation	BMAM	100,000	94
ITE Group	Chem	1,689,129	405
Merton	Chem	140,000	51
Zofarform	Chem	14,635	2
Peterhouse Group	Cons	175,000	115
Time Products	Dist	500,000	391
Independent Energy	EME	12,000	68
Dowding & M.	EME	1,145,000	426
Hedgehog	Eng	10,000	47
Brax Intnl.	EngV	54,155	58
Brax Intnl.	EngV	25,000	25
Brax Intnl.	EngV	50,000	22
Mayflower Corp.	EngV	16,680	23
Linton Park	FDP	27,000	51
Tate & Lyle	FDP	150,000	33
Kynoch	Hlth	150,000	28
Derby Group	HGosd	28,700	1
Jordan	HGosd	100,000	37
Walker Greenbank	HGosd	50,000	24
Walker Greenbank	HGosd	100,000	50
Walker Greenbank	HGosd	150,000	71
Oakham Holdings Plc	Ins	21,177	16
Oakham Holdings Plc	Ins	20,000	15
Wells	Ins	140,001	21
City Merchant	InvT	26,608	50
Leicester City	L&H	141,210	101
Renovo Energy	OME	45,000	117
Exploration Co.	Offf	16,000	20
Vanguard Medica Grp	Phrm	30,555	51
APT Group	PPAP	8,675	24
Burd	PPAP	10,000	24
Car & Reg. Prop	Prop	22,000	31
City Site Estates	Prop	1,041,667	27
City Site Estates	Prop	500,000	13
James Smith Ests	Prop	50,000	53
Land Securities	Prop	10,000	75
Liberty	Retd	70,000	74
Aggreko	SSer	100,000	178
Macro 4	SSer	5,000	17
Smart Engineering	SSer	65,000	35
Spirax Group	SSer	254,608	255
Whitbread Mann Grp	SSer	20,000	32
Zepro Holdings plc	SSer	7,000	24
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Source: BARRA The Inside Track, Edinburgh, 0131-473 7070			

Attention moves from results to trading updates and comments on the outlook as companies brief analysts ahead of the busy March reporting season, writes Martin Brice. Trading updates from retailers such as Boots and Dixons are likely to be examined for news of the all-important Christmas trading season. Monday: Although interim results from Tomkins are not expected to reveal nasty surprises, any statement on prospects could produce some disappointment. Analysts' break-up valuations for the group have produced a share price figure of about 385p; the present price is about 100p below that. But Greg Hutchings, chairman, is believed to be adamant that he will not break up the company, so concerns now focus on its operating performance.

Wednesday: Vega Group, the software development company, said in November that its order intake during the first six months exceeded £20m. This indicated a strong increase in the order backlog that totalled £20.7m at the end of April, according to Ingrid von Bentzel at Beeson Gregory. She forecasts an interim pre-tax result of £1.4m, up from £500,000 for the same period a year ago.

Thursday: The record holder of 100 consecutive losses, 100 consecutive falls and 100 consecutive red days, the

Last week's interim results

Company	Sector	Year	Pre-tax profit (£m)	Earnings per share (p)	Dividends per share
Abbey	Cons	Oct	9.91 (15.5)	3.5 (3)	-
Barclay Index	Med	Aug	0.8811 (1.021)	- (-)	-
Enron	SSer	1st	1.71 (1.41)	2 (2)	-
Gooderham	Ins	Oct	15.1 (17.5)	4 (3.75)	-
Jury Hotel	Leis	Oct	1.34 (10.8)	4 (3.12)	-
Pembroke Inv VCT	InvT	Aug	99.8 (-)	1 (-)	-
Preston Ind	Eng	Oct	1.96 (1.94)	2.5 (2.45)	-
Vandy Flag	Prop	Oct	12.2 (12.3)	3.2 (2.8)	-

(Figures in parentheses are for the corresponding period.) Dividends are shown net per share, except where otherwise indicated. L-dash = 1 Net asset value per share. 2 Net assets per share. 3 Net assets per share and cents. 4 Previous year and figure. 5 Net asset value. 6 Pro forma results unless otherwise indicated.

□ 12-month figures versus 12-month figures. * 12-month figures. + 12-month figures. □ 4-month figures.

Last week's preliminary results

Company	Sector	Amount	Last year	Dividend per share
FINAL DIVIDENDS				
Balfour Beatty	Eng	Tuesday	1.29	4.51
Denison Electrical	Med	Monday	0.7	3.0</

FT WEEKEND

True Fiction / James Morgan

How Kafka accounted for the IMF

The role of Franz Kafka as a dominant force in today's international financial system has been recognised only by inference but has never been properly investigated.

Many people find it hard enough to think about Kafka, and totally impossible to think about that forbidding figure and the International Monetary Fund simultaneously.

So when dozens of us received a news release from the IMF headed "Executive Board Praises Kafka's Distinguished Record of Service" all but the most resolute logged out, switched off and ran away. One Nobel economics laureate I questioned described the coupling as "a nightmare scenario struck by a neutron bomb". I, however, pursued the matter and this is what I found.

Franz Kafka made the IMF what it is today. I discovered this because of a hitherto overlooked note in the diary of John

Maynard Keynes where he said that he and Harry Dexter White arrived at Bretton Woods in 1944 with copies of Kafka's *The Condition* in their briefcases.

This book has unaccountably, or perhaps not so unaccountably, disappeared and inquiries about it are always met with studied ignorance. But fragments of the original manuscript have been in my family's possession since great uncle William managed to win Kafka's wallet at a game of skat at the Three Ostlers in Prague's old town in 1920.

But first a bit of background. Kafka, as well known, had been an employee of the Workers' Accident Insurance Institute

(WAIF) in Prague. That is where the great Czech novelist gained so much of the experience which later illuminated his life and work.

The WAIF had a unique organisational system for its time but much was later to be replicated in the IMF's articles of agreement. Look at section two of Article XII: "The board of governors may by regulation establish a procedure whereby the executive board, when it deems such action to be in the best interests of the Fund, may obtain a vote of the governors on a specific question without calling a meeting of the board."

This reflects a world Kafka knew well: the WAIF also expect

ted its governors to vote without meetings being called, or even without the governors being told a vote was taking place.

Now let us also look at the opening of the first chapter of *The Condition*:

Somebody had been taking Finmin's money, for he woke up one morning without having known his account was empty. The bank official who looked after the money had not told him and had himself disappeared.

So Finmin went to the Fund which dealt with such matters. "You can have some money, on condition," said the Manager of the Fund.

"On what condition?" asked Finmin.

"On condition that you meet the condition."

"What is that condition?"

"That is for you to decide."

So Finmin went home and wrote down a condition. It said that if he could have the money he would pay it back when he could.

The Manager said: "That is a good condition, but you have not met the condition, so you cannot have the money. You will get the money only on condition."

Finmin went to the Fund again and thought hard. He wrote that if he got the money he would then use it so wisely that he would then be able to pay the money back.

And the Manager said again that that was a good condition

pulled down his beautiful new conservatory, emptied the medicine cabinet, took his children out of school and sold his burglar alarm. He then made his children pay for their food with the money they gained from delivering newspapers to their neighbours. He sold the family silver to the same neighbours and then rented knives and forks from them.

And the Manager said: "You have done very well, so well that you do not need the money. You have met the condition."

Finmin went back home wondering why he did not feel very happy. When he got home he found that his family did not want him any more and told him to go away. He asked the Fund for help, but the Manager said he could not get any help, for the Fund was there to help families and even his family needed no more help now."

Great uncle William said the story ended with Finmin getting a job with the Fund, but we cannot be sure.

Swanson
for the
century



Metropolis

A splendid cocoon - at £1,200 a night

Fears of recession are having no perceptible effect on the boom in London's private clubs, writes David Baker

From next week drinkers at Home House, London's newest private members' club, will be able to win or lose jaw-dropping sums of money in an instant, thanks to a direct link-up with IG Index, the City boys' favourite spread-betting outfit.

They will be able to do so in sumptuous 18th century surroundings, sup a fine vintage armagnac while playing, and, for £1,200 a night, sleep it off in some of the most luxurious overnight accommodation in the capital.

Home House is the £12m brainchild of Brian Clivaz, former managing director of Simpson's-in-the-Strand and self-described "fuller figure" in the hotel and restaurant world. His baby will be a long way from the dusty gentlemen's clubs of St James's or the more louche set in Soho.

"There was simply no grand club in London any more," says Clivaz. "I wanted to fill that gap. It is my dream that Home House will live again as the centre for fun, gossip and glorious entertainment it was in the 18th century."

This month's opening will be the culmination of a project lasting more than two years and involving the restoration of a shell of a building to its 18th century splendour. Alongside the more prosaic contractors tramping in and out of 29 Portman Square in London's West End, formerly home to the Courtauld Institute and Anthony Blunt, have been specialists in porcelain restoration, 18th century wallpaper and historic paints. The whole building is now as close as possible to what it was when completed by Robert Adam in 1777.

To be part of Brian Clivaz's dream, Home House's 1,500 members will have to pay £1,500 a year (plus a £1,500 joining fee). And for those who cannot quite make the £1,200 nightly charge for the penthouse, smaller rooms start at £300 a night. It is expensive - but Clivaz is confident he will have a full membership.

"Look at it from an international perspective," he says. "Most London clubs offer you small garret rooms to spend the night in. The international traveller is going to go and stay at

the Lanesborough or the Dorchester. We are offering equivalent accommodation plus the opportunity to be known, to be secure and to have great service."

Clivaz won't say how many members have already signed up, but in November and December he ran a series of champagne receptions (City traders one day, the arts crowd the next) at which potential Home Houseers could take in the decor and imagine having an 18th century palace at their disposal.

Backing these up is an expensive-looking and mildly camp direct-mail campaign. Under "dress code", the mauve and purple brochure states: "Nudity discouraged. Jacket and tie required."

Clivaz is ebullient about the mix of people this approach will attract. "Although an exclusive members' club," he says, "it will not be elitist. No restrictions will exist as to members' sex, creed, colour or age." There is one proviso, of course: members must be able to afford the fees.

Nearby, but light years away from the chintz and ruched cur-

tains of Home House, another London club is preparing to move.

The In and Out, more properly known as the Naval and Military Club, has come to the end of the lease on its premises at 94 Piccadilly - famous for the burning

Almost all London clubs, from the Garrick to Soho House, have a membership waiting list

torches over its front gates.

The club's Kuwaiti landlords are holding out for an increase in rent - unsurprisingly, as the club has been paying less than £6,000 a year since 1985 - and the In and Out will move next month to new premises at 4 St James's Square, formerly home to the

Astor household and temporary accommodation for General de Gaulle during the second world war.

For Sarah Moulder, marketing and membership manager, the move is a chance for the club to diversify. "We need to keep our eyes open for new members," she says. "The number of people in the military is falling and we are now looking for members from other sectors such as professional people living in London."

To lure them the In and Out has cut its annual town membership to £380 (plus £1,000 joining fee) and is softening some of its rules.

"I think equality should run through a club," says Moulder.

"From this month, for example,

ladies will be able to be full members of the club and have a vote in its running. And members who use the Babmaes Street (back) entrance to get to the fitness centre and brasserie will not have to wear a tie."

Egalitarians should note, though, that women will still be "discouraged" from setting foot in one or two areas of the club.

Between them, Home House

and the In and Out are spending about £25m on their new properties. (The In and Out's move was helped by a £4.5m sweetener from its landlords.) But with talk of an economic downturn on the way, for example, doesn't have. People are loyal to you and they don't want to drop their membership."

Guy Topping, general manager at the Cobden Club, home from home to hip west London literati, agrees but adds a warning:

"The only drawback with a members' club is you can start off with lots of people joining - but then they also turn out to be members of other clubs like The Groucho or Soho House, and so they only come five times a year. You have to do something to make them come more often."

In fact, the sector is booming. Almost all London clubs, from the Garrick to Soho House, have a waiting list of potential members. At some clubs the wait is only a few months, but it could take seven years to get to the front of the queue at White's.

Business is so good that other clubs are expanding, too. The Groucho Club last year bought the restaurant, 192, Kensington Park Road, and is looking for a "small hotel" in London.

Soho House already has a small

- and runs a boat at Cannes each year. It is looking for another club, maybe in Glasgow.

"Clubs do well in a recession," says Clivaz, "because people like to be secure, to be in an environment where they are known, comforted and cocooned. A club can make them feel safe."

Tony Mackintosh, chairman of The Groucho, adds: "We are not immune to recession, far from it, but there's a certain stability about a club that a restaurant, for example, doesn't have. People are loyal to you and they don't want to drop their membership."

Guy Topping, general manager at the Cobden Club, home from home to hip west London literati, agrees but adds a warning:

"The only drawback with a members' club is you can start off with lots of people joining - but then they also turn out to be members of other clubs like The Groucho or Soho House, and so they only come five times a year. You have to do something to make them come more often."

And that, says Alan Linn, general manager of Black's, comes down to something fairly basic:

"Let's face it. There is a great sense of kudos in offering to take someone to your club. People get a kick out of it. It's as simple as that."

■ *Home House opens on January 15, tel: 0171-670 2000. The In and Out club moves to St James's Square on February 1, tel: 0171-629 5022.*

Most people think it is the British who are most obsessed by the weather. Judged by recent experience, including last weekend's in the Washington area, that honour now surely belongs on the other side of the Atlantic.

It is true that American weather can be more extreme. A big flood on the Mississippi, for example, is bound to be more serious than one on the Severn because there are no Malvern Hills and Welsh Mountains to hem it in. Its great overspilling of 1927 gave the nation Herbert Hoover as president one year later, which shows how disastrous it was.

The US also has trailer parks, which spawn tornadoes, and very high mountains, which attract celebrities and therefore heavy snow. Los Angeles, where it

said, and watch football.

On Saturday morning, I ventured out in the car from our country place in southern Maryland to buy the morning papers, still a bit twitchy because the radio warnings were louder than ever. And there, in the parking lot of what used to be Earl's Truck Stop, also a brothel in its palmy days, were three big yellow snow ploughs, snouts aloft in anticipation.

Closer to home, the local parish magazine, the Washington Post, warned a week ago last Friday that an ice storm of mega-magnitude was bearing down on the capital and its surrounds. And on the way back we listened to the inauguration of Tony Wil-

of Washington and discovered that the threat of inclement weather has caused the ceremony to be moved inside to the Ronald Reagan Building.

The symbolism of this is interesting, since the number of Republicans living in Washington DC can normally fit into a taxi cab. But Williams, who seems intelligent and funny where his notorious predecessor, Marion Barry, was neither, clearly knew his history. It was Barry's problems with the white stuff - ice and snow uncleared from the streets and then cocaine in a hotel room - which started

Back in front of the fire, I settled down for college football but every time the game got interesting the sound went off and the screen split to allow a local weatherman to intone about impending disaster, power cuts, downed trees and possibly locusts. Nervously, I looked outside to discover it was still perfectly clear, if chilly.

Just before the Louisiana chicken pies and Australian burgundy, I heard something patterning on the window, stuck a toe out of the front door and, indeed, nearly slipped. There was a thin film of something cold out there. Next morning the house

was still standing, as were the trees and power lines. It was bucketing with rain but there was not a patch of ice in sight, nor was there much the night before, apart from the West Virginia panhandle 50 miles to the west where all the old spires live.

You could chalk it up to another false alarm, the product of hysterical local media terrified to caught with their pants down, less like Bill Clinton than the British weathermen who failed to predict the great hurricane of 1987 because they were all at a Bob Dylan concert in Wembly Arena.

But I get the feeling it is more

millennium than anything else. What with millennium computer bug problems, impeachment fever, Saddam Hussein and no professional basketball, the US is looking for disasters wherever it can find them.

And with crime on the wane, unemployment down and Newt Gingrich no longer around, where better to seek it than the skies. Just nine months ago we were told a vast asteroid was going to blast us all into a new ice age. Disappointed that it is going to miss earth, the US will happily settle for mere ice storms. The British had better move over.

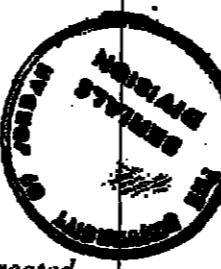
Chess No 1265: 1 Qg2+ Kg7; 2 Qf3+ Kd8; 3 Qd3+ Kc7; 4 Qd7+ Kb6; 5 Qd8+ Kc5; 6 Qd5+ Kb4; 7 Qd4+ Ka3; 8 Qd3+ Kb2; 9 Qd2+ Ka1; 10 Qd1+ Kb0; 11 Qd0+ Ka1; 12 Qd1+ Kb0; 13 Qd2+ Ka1; 14 Qd3+ Kb0; 15 Qd4+ Ka1; 16 Qd5+ Kb0; 17 Qd6+ Ka1; 18 Qd7+ Kb0; 19 Qd8+ Ka1; 20 Qd9+ Kb0; 21 Qd8+ Ka1; 22 Qd7+ Kb0; 23 Qd6+ Ka1; 24 Qd5+ Kb0; 25 Qd4+ Ka1; 26 Qd3+ Kb0; 27 Qd2+ Ka1; 28 Qd1+ Kb0; 29 Qd0+ Ka1; 30 Qd1+ Kb0; 31 Qd2+ Ka1; 32 Qd3+ Kb0; 33 Qd4+ Ka1; 34 Qd5+ Kb0; 35 Qd6+ Ka1; 36 Qd7+ Kb0; 37 Qd8+ Ka1; 38 Qd9+ Kb0; 39 Qd8+ Ka1; 40 Qd7+ Kb0; 41 Qd6+ Ka1; 42 Qd5+ Kb0; 43 Qd4+ Ka1; 44 Qd3+ Kb0; 45 Qd2+ Ka1; 46 Qd1+ Kb0; 47 Qd0+ Ka1; 48 Qd1+ Kb0; 49 Qd2+ Ka1; 50 Qd3+ Kb0; 51 Qd4+ Ka1; 52 Qd5+ Kb0; 53 Qd6+ Ka1; 54 Qd7+ Kb0; 55 Qd8+ Ka1; 56 Qd9+ Kb0; 57 Qd8+ Ka1; 58 Qd7+ Kb0; 59 Qd6+ Ka1; 60 Qd5+ Kb0; 61 Qd4+ Ka1; 62 Qd3+ Kb0; 63 Qd2+ Ka1; 64 Qd1+ Kb0; 65 Qd0+ Ka1; 66 Qd1+ Kb0; 67 Qd2+ Ka1; 68 Qd3+ Kb0; 69 Qd4+ Ka1; 70 Qd5+ Kb0; 71 Qd6+ Ka1; 72 Qd7+ Kb0; 73 Qd8+ Ka1; 74 Qd9+ Kb0; 75 Qd8+ Ka1; 76 Qd7+ Kb0; 77 Qd6+ Ka1; 78 Qd5+ Kb0; 79 Qd4+ Ka1; 80 Qd3+ Kb0; 81 Qd2+ Ka1; 82 Qd1+ Kb0; 83 Qd0+ Ka1; 84 Qd1+ Kb0; 85 Qd2+ Ka1; 86 Qd3+ Kb0; 87 Qd4+ Ka1; 88 Qd5+ Kb0; 89 Qd6+ Ka1; 90 Qd7+ Kb0; 91 Qd8+ Ka1; 92 Qd9+ Kb0; 93 Qd8+ Ka1; 94 Qd7+ Kb0; 95 Qd6+ Ka1; 96 Qd5+ Kb0; 97 Qd4+ Ka1; 98 Qd3+ Kb0; 99 Qd2+ Ka1; 100 Qd1+ Kb0; 101 Qd0+ Ka1; 102 Qd1+ Kb0; 103 Qd2+ Ka1; 104 Qd3+ Kb0; 105 Qd4+ Ka1; 106 Qd5+ Kb0; 107 Qd6+ Ka1; 108 Qd7+ Kb0; 109 Qd8+ Ka1; 110 Qd9+ Kb0; 111 Qd8+ Ka1; 112 Qd7+ Kb0; 113 Qd6+ Ka1; 114 Qd5+ Kb0; 115 Qd4+ Ka1; 116 Qd3+ Kb0; 117 Qd2+ Ka1; 118 Qd1+ Kb0; 119 Qd0+ Ka1; 120 Qd1+ Kb0; 121 Qd2+ Ka1; 122 Qd3+ Kb0; 123 Qd4+ Ka1; 124 Qd5+ Kb0; 125 Qd6+ Ka1; 126 Qd7+ Kb0; 127 Qd8+ Ka1; 128 Qd9+ Kb0; 129 Qd8+ Ka1; 130 Qd7+ Kb0; 131 Qd6+ Ka1; 132 Qd5+ Kb0; 133 Qd4+ Ka1; 134 Qd



JANUARY 9 / JANUARY 10 1999

Art on the edge

'The current frantic fashion has created a febrile environment where people pretend it is some kind of a game'



Bugs and the Bard

'How long before Tom Hanks lends his digitally-scanned essence to the role of a bacterium?'



Weimar: City of Culture

'Nowhere in Germany is the question of how high culture yielded to barbarism more insistently present than here'

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Swansong for the century

The function of art today is to serve the masses, says Andrew Clark. Will the next millennium see society react by returning to a new form of elitism?

The arts have never been as unnecessary as they are now. Paradoxically, the arts have never been as available as they are now. That is the swansong of our century. It was the century in which, for the first time since man and woman gave aesthetic shape to life, art could be disseminated globally. Education, print, design, technology: these were to be the seeds of paradise, the tools of man's regeneration.

At least, that was the credo of arts visionaries at the last *fin-de-siècle*. It was a credo of altruism. Art was no longer to be the preserve of the aristocracy or the *haute bourgeoisie*. It was to inform every aspect of life. Its goal was nothing less than to open the eyes of the common man to the finer things in life – in short, to make life better.

Zoom forward 100 years. Art is everywhere. We have museums, concerts, design awards, travelling exhibitions. Leonardo's "Mona Lisa" is recognised the world over. Schoolchildren are familiar with Monet and Mozart. Tunes from the classics have been adopted by the advertising industry. National cultures cross-fertilise on a scale that could never have been dreamed of a century ago.

And yet the arts have been marginalised. On the one hand, they are so commonplace that they have become routine and repetitive. On the other, they appear inaccessible next to the million other things that bombard our late 20th century consciousness. Technical reproduction, that genius of the late 19th century, turned out to be a sorcerer's apprentice. It did not simply facilitate the dissemination of the arts; it made possible the creation of popular culture – a phenomenon that had never previously entered the equation because the media did not exist to develop it.

That is why, instead of disseminating aesthetic values, technical reproduction has ended up perverting them. It created a medium for popularising things that have little substance. The power of pop culture lies not just in its superficial appeal, but also in its weight of numbers. It is thanks to that power that the numbers game – ratings, charts, the rule of the market, call it what you will – has become the touchstone of value.

Value today is defined by demand, which is dictated by mass taste – which in turn is determined by the lowest common denominator. Instead of being a collective of individual expression, culture has been reduced to what "catches on" – in other words, what sells most. In an age when everything has to be instant, the ephemeral supplants the transcendental. By definition, the arts have a deeper aesthetic and philosophical foundation. They simply cannot compete.

In an age when everything has to be instant, the ephemeral supplants the transcendental. The arts cannot compete

Please instantly, it will not sell. If it does not sell, the artist will not survive. There is every pressure *not* to experiment, *not* to dream for the future, *not* to suggest countermode to life, *not* to create utopias of love, harmony, freedom. That pressure comes from the market – a dictatorship to which politicians increasingly, surreptitiously, pay court.

The function of art should be to stand outside society, to challenge it, to make people think. But such a philosophy threatens anyone whose power is based on populism rather than educated choice. That is why the function of art today is to serve the masses, to pander to the taste of the majority. If that was not the case, why would we invent such mantras as "access" and "accountability"?

The old elitism, which restricted art to a narrow band of the privileged, has been replaced by a new elitism – the elitism of understanding. Today, "elitist" no longer means the application of the highest standards; it means something that is not comprehensible to everyone within a few minutes. The problem with this is that it subverts the meaning of art. When art ceases to be a challenge, it ceases to be art. It has no future.

Culture today is controlled not by people who know and care about art, but by those

who understand the numbers game and have worked out how to make money from it. How else could a 12-year-old Welsh schoolgirl, a blind Italian tenor, or a scantily clad Oriental violinist make it to the top of the classical record charts? None of these so-called "artists" is technically or musically exceptional. Their value lies in a gimmick factor, which their record companies knew would sell. Why has the soundtrack for *Titanic* proved so popular? Not because it is an original piece of orchestral music, but because it is an amalgam of feelgood sounds. None of these has anything to do with art. They are all manifestations of commercial culture, and as such are no different from the cuddly Furby, this Christmas's must-have toy.

There is nothing wrong with making money out of the arts. Indeed, art cannot survive without an element of commerce. But art loses its essence if its ratings potential becomes more important than its value as an expression of individual creativity. Hollywood would not dare say anything that contradicted popular taste. Nor would Andrew Lloyd Webber. Nor would the backers of the Three Tenors or the Spice Girls. Like the promoters of Charlotte Church,

post-war era, allied to the legacy of the Nazi years, has left the country ill-equipped to withstand the blast of pop culture. Germans are still proud of Bach, Beethoven and Brahms. But, as in the UK and the US, non-pop musical performance is dominated by works that are on average 130 years old. And even that takes up a decreasing slice of the national consciousness.

We are back to the question of "access". Technical reproduction – that is, the media of print, screen, audio and CD – has unleashed a bombardment of sensations and images, for which the human consciousness has only limited space. The less thought-inducing the attack, the more likely it is to succeed.

What can we take forward to the new millennium? It would be a mistake to assume that a century of commercialisation will give way to a century of computerisation. Computers may ease the technical process of creativity but they will not alter its basic forms any more than electronics did. The human mind can be relied on to use a computer no less creatively than it did a harmonic system or a movie screen.

What we will see, thanks to computer-generated media, is a change in the way the arts are sold and consumed. We can look forward to a breaking down of barriers between creator and consumer. The middle man – in the shape of the record company, the publisher, the PR representative – will wither away. Some rock artists are already blazing the trail by dispensing with their record companies and selling direct on the internet. There is no reason that authors, composers and classical performers should not do the same.

Perhaps society will react to the culture of dumbing down by returning to a new form of elitism – the elitism of those who prize individual excellence and individual expression above mass-produced ephemera. And after this century's fragmentation of old forms and structures, we may start to search for a new alignment of mind and matter, for an aesthetic world in which structure and emotions regain their balance, for a sense of values in which the tyrannies of the media, of beat, of literal fidelity and harmonic breakdown are laid aside. Only then will the arts be necessary again.



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GLOBAL ARTS '99

As the century nears its end, a feeling of suspended animation seems to hang over the contemporary art scene. In London at least, the cutting edge seems to have lost its sharpness, the hunger for success which propelled the Young British Artists to worldwide fame dispersed in the soft core fecklessness of their younger contemporaries.

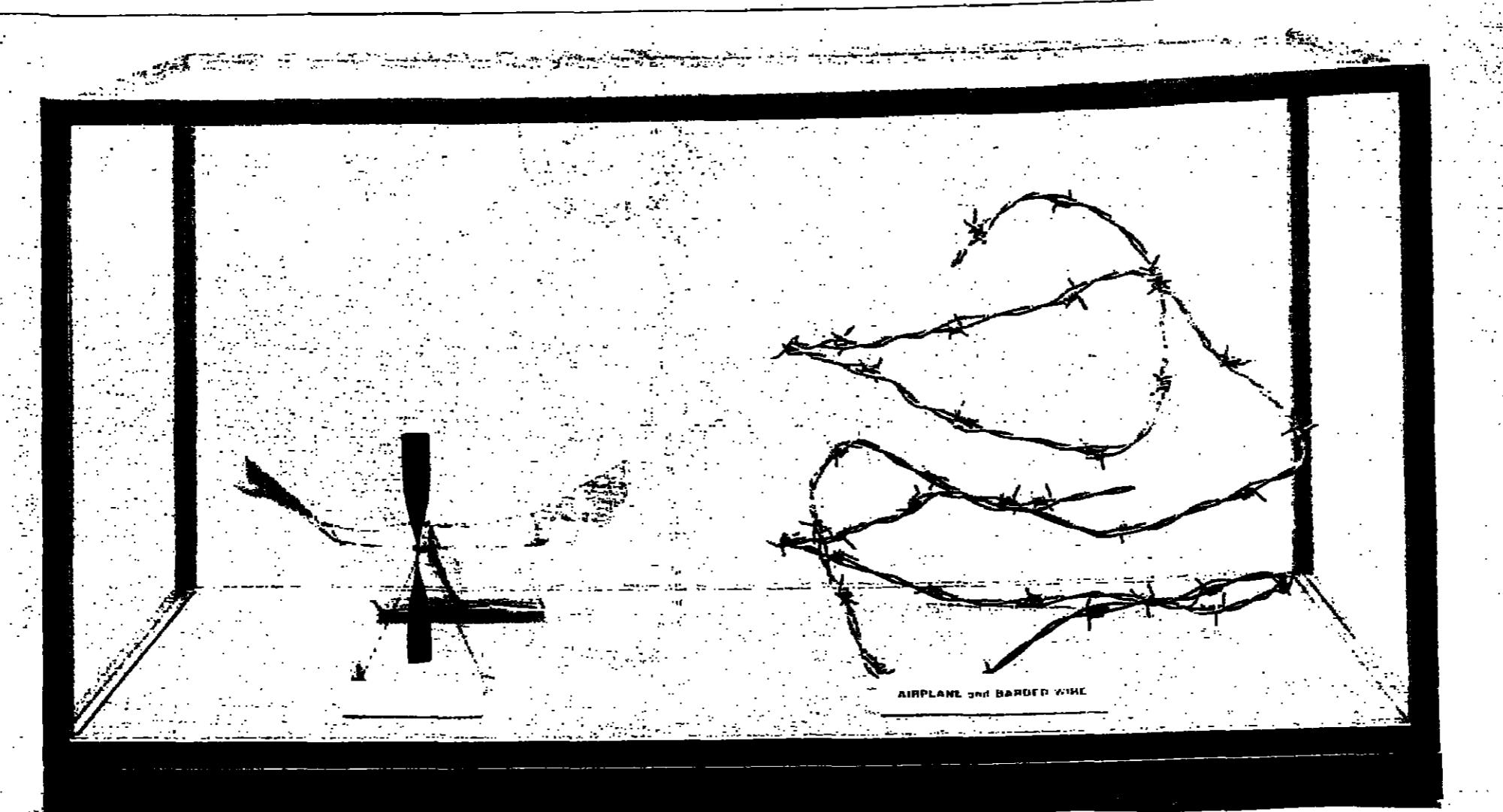
As Rachel Whiteread grapples with the high seriousness of her Holocaust Memorial now under construction in Vienna, and Gary Hume prepares to represent Britain at the Venice Biennale this June, the next generation seems content to play with all the brightest colours in their paintboxes and their favourite fury toys - see the current show at Camden Art Centre - while hanging around waiting for the next big thing. And the really clever ones cover their backs by saying that there will not even be a next big thing; that big things are over; and that making the odd picture in your living room and calling your flat a gallery will do just fine, thanks. Small ideas, suburban comforts will see us through, they murmur, cocooned with the TV and their favourite easy-listening albums while out there, somewhere, the last thousand years of measured time tick to a close.

This is the thinking behind the self-consciously pretty, pretend light-hearted painting and sculpture which dominated London shows as the year drew to a close. There's been "Die Young, Stay Pretty" at the ICA, "Dumb Pop" at the Jerwood Space, and in January the Saatchi Gallery gives the movement its apotheosis with "Neurotic Realism", shown not just once but twice, with a second part in September.

It is hard to believe that such slight stuff can stand this intensity of scrutiny. While there is no doubt that it is a strong trend that needs to be worked through, the second Saatchi show seems like a hostage to fortune. Surely by September we will be tired of fantasy interiors based on film star homes as painted by Dexter Dalwood or Martin Maloney's posing as a post-modern Poussin, redefining Greek myths in their painted sex club gropings. Please... can we not be serious, just for a minute?

This desperate frivolity seems to be a peculiarly English condition. No matter how successful the YBAs became, there was always an underlying feeling of "I can't believe I'm doing this" or, as Damien Hirst put it with his usual perceptiveness, "I'm always waiting for someone to stop me. So far nobody has..." American artists, as the great shows of Jackson Pollock and Mark Rothko in New York last year so clearly demonstrated, had no trouble living out the heroism of painting, even if it ultimately led to their tragic deaths.

When the Pollock show arrives at the Tate in March, it will find already there a new installation,



A scale and obsessiveness beyond irony: Airplane and Barbed Wire from Chris Burden's 'When Robots Rule', a new installation at London's Tate Gallery from March

Gene Ogden

Contemporary art

Cutting edge loses its sharpness

The next wave of young British artists lacks the current generation's daring flair, says Lynn MacRitchie

"When Robots Rule", specially made for the Duveen Galleries by the Los Angeles-based artist Chris Burden. Burden is just as involved in contemporary culture as his British counterparts, using models and toys to make great sprawling table-top metropolises such as "Pizza City", but the scale and obsessiveness of his enterprise takes it way beyond irony to make a serious commentary on our times. A serious look at the world can also be found in the work of South African artist William Kentridge, whose video projections and drawings, dealing with the politics and racism of his homeland, can be seen at the Serpentine Gallery at the end of April.

Chris Burden lives in a canyon outside Los Angeles, able to create a world of his own. The seeming spread of London and the current frantic fashion for art has created a more feverish environment where people work in

each other's pockets and pretend that it is all some kind of a game. There is a lot of cod-democracy too; a notion that anyone can do it. Last summer, the Chiswick Gallery held three shows selected from open submission which attracted thousands of entries, and it plans to do so again in July.

Even the Tate is joining in, inviting all artists living in Southwark "from the internationally famous to the amateur - all will be awarded the same status". To be fair, its programming around the fast-transforming Bankside, still on target to open in 2000, has been, sometimes literally, a breath of fresh air, projecting films outside on the chimney and initiating off-site work such as the film installation by Iranian artist Shirin Neshat at St Mary le Bow church in Cheapside.

As Damien Hirst perceptively put it: "I'm always waiting for someone to stop me. So far nobody has..."

torian spaces give to show enormous paintings. It kicks off the year with Julian Schnabel, the wild boy of 1980s New York, not seen in London for more than a decade.

The continuing spread of art venues throughout London, often in fairly inaccessible locations, can make getting around everything a nightmare. One solution is to book a tour with CAST, Contemporary Art Society Tours. Once a month, they whisk punters painlessly through the labyrinths of Hackney, Hoxton, Shoreditch and beyond; their last tour of 1998 included venues opened only days before, so it's a good way to keep up with a scene which can seem bewildering to

one who has first biennale will be held in September. Directed by Tony Bond from the Art Gallery of New South Wales, a thoughtful and serious curatorial choice, this should be one to catch.

The epitome of the modern curator is surely Hans Ulrich Obrist. Officially based in Paris at the Musée d'Art Moderne, he is always everywhere, looking, talking, writing. Co-curator of "Cities on the Move", the study of contemporary urban development in Asia which comes to the Hayward Gallery in May, he has also, with colleagues Maria Lind and Rebecca Gordon Nesbitt, established Salon 3, a peripatetic exhibition and discussion space temporarily roosting in an empty shop in the Elephant and Castle. Its opening evening summed up the cutting edge art event of the late 1990s. An eminent scientist lectured about artificial intelligence. There were art works dotted about in a casual sort of way

- a few T-shirts, some lines painted on the wall - and the bar downstairs stayed open until four in the morning. For the truly cool, in 1999, down the Elephant may be just the place to be.

■ Laura Ford and Jacqueline Poncelet, Camden Art Centre, until January 31; Die Young, Stay Pretty, Institute of Contemporary Art until January 10; Dumb Pop, Jermwood Space, until January 17; Neurotic Realism, the Saatchi Gallery, January 14-March 28; Chris Burden, Tate Gallery, February 16-June 6; William Kentridge, Serpentine Gallery, April 21-May 30; Julian Schnabel, South London Gallery, January 12-February 28; Cities on the Move: Art and Architecture in Asia, Hayward Gallery, May 13-June 27; Salon 3 information 0171 252 4661 or salon3@hotmail.com. Next CAST tour January 30 and February 27. Information and bookings from Kate Steel, 0171 831 7311.

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US exhibitions

Beware of the crowds

Impressionist mania also has its downside, says Paul Jeromack

Ringing out the Monet, ring in Van Gogh. In the wake of funding cutbacks from the government and private sector, many American museums are increasingly dependent again on power-house popular impressionist and post-impressionist exhibitions, where the perennial

Monet, Renoir, Manet and Van Gogh have their outputs re-analysed, re-categorised and re-packaged each time with a different slant.

The drawback is that visiting these shows usually offers about as much aesthetic uplift as a Tokyo subway car during rush hour. Hoping to alleviate the situ-

ation somewhat (and taking their cue from many local gyms), the Los Angeles County Museum of Art will keep "Van Gogh's Van Gogh: Masterpieces from the Van Gogh Museum, Amsterdam" (January 17-April 4) open 24 hours a day - though reservations must be made early.

Expect similar crowding at "The Collection of Dr Gachet" at the Metropolitan Museum of Art (May 25-August 19), which features more than 50 paintings and drawings collected by this homeopathic physician who was friend to Pissarro, Cézanne, and Van Gogh.

In contrast with her male Impressionist brethren, the American Mary Cassatt has still not received her critical due, a fact perhaps less due to her sex than to her nationality. After closing at the Art Institute of Chicago on January 3, "Mary Cassatt, Modern Woman" travels to the Museum of Fine Art, Boston (February 14 - May 9) and to the National Gallery of Art, Washington (June 6-Sept 6) - the latter venue is recommended as her work is well represented in the non-lendable Chester Dale bequest there.

The National Gallery is also hosting the huge John Singer Sargent retrospective (Feb 21-May 31), although one should perhaps wait until the show gets to the Museum of Fine Arts, Boston (June 22-Sep 26), as both the MFA and Boston Public Library house exceptional murals by the artist.

Two delicate hot-house flowers of 19th century art are similarly honoured this year: Alphonse Mucha (January 31-March 28 at the North Carolina Museum of Art, Raleigh, thence to the Philbrook Museum, Tulsa, Nevada Museum, Reno and the Worcester Art Museum, Mass.); and Gustave Moreau

(10, 1999). The Walters Art Gallery will feature the first American travelling exhibition of "Art in Poland: 1572-1764" (March 2-May 9), which travels to the Art Institute of Chicago and four other US venues later in the year.

One of the more intriguing exhibitions of 20th-century art is "Max Beckmann in Paris", the first examination in context of this German master's influences on his better-known contemporaries Picasso, Leger and Matisse. Its only US venue is the St Louis Art Museum, which possesses the greatest cache of German expressionist art in America (February 6-May 9).

In a similar vein is the Francis Bacon retrospective, which travels from the Yale Center of British Art, New Haven (January 23-March 21) to the Minneapolis Institute of Art (April 11-May 30), the California Palace of the Legion of Honor, San Francisco (June 13-August 2), and the Modern Art Museum, Fort Worth, Texas (August 22-October 24).

Although he has recently been overshadowed by the iconic status of his wife Frieda Kahlo, the Mexican painter and muralist Diego Rivera will finally receive the treatment he deserves in a retrospective travelling from the Cleveland Museum (Feb 14-May 2) to the Los Angeles County Museum of Art (May 30-August 16) and the Dallas Museum (September 12-November 28).



Mucha's The Four Seasons: Spring, 1896 Bridgeman Art Library

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GLOBAL ARTS '99

Galleries

Cornucopia for the eyes

William Packer says the galleries of Europe and Britain promise to make 1999 a year to remember

To look forward at this time of year towards what is coming to the galleries over the next 12 months, whether at home or abroad, is rather like looking down the wrong end of the telescope. I note things down as the information comes in, and have by now a fairly full idea of January's offerings, but even February is still quite thin, and so it goes on, with next December as yet quite bare in the diary.

But that is the way of it. To try to get regular advance information out of Italian museums, for example, or the Spanish for that matter, would be a full-time and not exactly fruitful job. The Venice Biennale has lately been provisionally set to open in mid-June, but we note the "provisionally". I hope and even think it will be confirmed, for maddeningly chaotic and inconsistent as it is bound to be, it remains a wonderful festival of contemporary art and its related commerce and presentations, and, as always, I find myself looking forward to it immensely.

And, to be fair, the principal exhibiting institutions, at least in England and France, do have their plans laid well enough. Here in London indeed the immedi-

ate future has some real treats in prospect, what with the "Monet in the 20th century" that was in Boston, now coming to the Royal Academy; "Portraits by Ingres", which is self-explanatory enough, to be shown at the National Gallery; "Picasso and Photography" coming to the Barbican from Paris; Drawings from the Roman Baroque showing

Gogh and Cézanne, in his role as a collector and patron of the impressionists and their circle; the big Mark Rothko show, from New York, at the Musée d'Art Moderne; and David Hockney at the Centre Pompidou.

In February, Hockney reappears in Paris at the Musée Picasso, in "Dialogue avec Picasso", which exam-

ples the influence of Picasso on his work, especially his printmaking.

At the British Museum; and King Charles I, at the 350th anniversary of his execution, being honoured by a portrait and documentary exhibition, "The King's Head", at the Queen's Gallery at Buckingham Palace. All these shows open within a day or two of each other at the end of January.

Elsewhere, the under-rated 19th century Scottish painter, Archibald Skirving, is revived at the Scottish National Portrait Gallery in Edinburgh, and a major show of 19th century English Watercolours goes to the Hermitage at Lausanne. Paris, meanwhile, at the Musée d'Orsay, is to see Dr Gachet, the friend of Van

inexes the influence of Picasso

on his work, especially his

printmaking.

King Everett Millais, the pre-eminent pre-Raphaelite and late Victorian Academician, whose centenary was oddly neglected in 1997. Patrick Caulfield, one of the very best of the painters to emerge from the British Pop Art movement of the early 1960s, and whose work is simply gone on improving, is

to have a long-awaited retrospective at the Hayward; and the Tate is to give us another study of Francis Bacon, including the works

on paper that have lately

come to light. But the Tate's principal contribution to our spring comes in March, with the definitive retrospective of the abstract expressionist Jackson Pollock, which could well prove to be our exhibition of the year, just as it has been for last year in New York. If this does not reconcile the sceptic at last to modern painting, nothing will.

The National Gallery's small study of Rogier van der Weyden also looks especially inviting, as does that at Harwood House of the work that Thomas Girtin, Turner's early peer, made in the North of England. In Edinburgh, the new Dean Gallery, housing the Pollock Gift and the Dada & Surrealist archive and collections, will open at last as an invaluable and long-needed annex to the Scottish National Gallery of Modern Art across the road.

April in Paris sees a major show at the Grand Palais of Egyptian Art in the time of the Pyramids, and in May, in London, we shall have at the Queen's Gallery, the last show before it closes for remodelling, the drawings of Raphael in the Royal Collection, to complete the sequence of Leonardo and Michelangelo.

There is also to be a Victor Pasmore retrospective at the Tate at Liverpool, the opening at the Tate at St Ives of a commissioned group show centred on the forthcoming total eclipse of the sun, and of course the Summer Exhibition at the Royal Academy. Japanese Masks at the British Museum also looks intriguing.

But the more important shows this month will be abroad - the "Nympheas" of Monet at the Orangerie in Paris, and in Antwerp the retrospective of Sir Anthony

van Dyck in celebration of the quatercentenary of his birth. It comes to the Royal Academy in September, but Antwerp, his birthplace, must be the place to see it first.

Along with the Venice Biennale, as I hope, June brings several notable shows - in London, at the National Gallery, Rembrandt's self-portraits, which cannot be a major event; and, at Annelly Juda, more David Hockney, this time his drawings.

There is to be a Bonnard exhibition at the admirable Gianadda Foundation at Martigny in Switzerland; an ambitious survey show of Netherlandish still-life painting from the mid-16th to the early 18th century, at the Ryckmansum in Amsterdam; and the opening of a new museum of contemporary art, the Serralves Foundation, in Oporto.

Then come summer and autumn. The Tate's "Abracadabra" in July seems likely to be an intriguing, perhaps contentious testing of the "New Spirit" in the international art of the 1990s. Edinburgh will have Joseph Beuys's "Multiples" at the Scottish National Gallery of Modern Art; and "The Tiger and the Thistle", concerning the Scots in India in the time of Tipu Sultan, at the National Gallery of Scotland, both exhibitions continuing through the Edinburgh Festival in August.

September brings the Van Dyck to London, and with it a related exhibition at the British Museum, "The Light of Nature", of the landscape drawings of Van Dyck and his contemporaries. There are also to be two more Biennales, one in Istanbul and a new one at Liverpool that will incorporate the long-running John Moores Liverpool Open Exhibition.

In London in October we shall have Joseph Beuys at the Barbican and Lucio Fontana at the Hayward; and, at the Tate in November, "The Art of Bloomsbury", with Roger Fry, Vanessa Bell, Duncan Grant and all seen in the context of early-20th-century modernism. A pendant show at the Courtauld looks at Roger Fry especially in his relation to modernist criticism. And December brings, well, December, and as I said at the start, watch this space.



Showing soon at London's Barbican: Picasso and Photography

Roy Moore

Salerooms

Annus difficultus

Antony Thorncroft surveys the impact of economic conditions



By appointment a Warhol image for February's Art on Paper Fair

The most important events in the art world often happen outside the saleroom. Undoubtedly most excitement is generated at auction, especially when, as happened on November 19, Van Gogh's last self-portrait, a flattering image painted as a birthday present for his mother, sold for \$71.5m at Christie's in New York, the third highest price ever paid for a work of art and easily the year's highest. But in the longer term the acquisition of Christie's by the French department store tycoon François Pinault will have much more impact on the competition between the auction houses, especially with Paris poised to become a major art centre now that the EU is battering down French protectionism.

In the same way it was a decision by Brussels to double, to 5 per cent, the VAT to be paid on works of art imported from non-EU nations which will have the greatest impact on the British antiques trade this year, or rather that important sector that makes London the global entrepot, importing goods that are then sold on to foreign clients.

But beyond takeovers and taxes, London's, and the UK's, antiques trade basically depends on the state of the economy. Most people buy works of art when they feel prosperous; they are, after all, luxuries rather than necessities. With financial confidence evaporating in many parts of the world it is hardly surprising that the slow but steady rise in prices for art since the last recession of 1990 should falter in 1999. The new year starts in uncertainty.

The mega-rich, the score or so enthusiastic collectors who can afford to pay \$5m or more for a work of art without missing a heart beat, are still prepared to buy the steadily shrinking number of masterworks that venture on to the market each year. But lower down, among potential buyers of routine antiques, there is more caution. The old shibboleth - that the very best objects in the finest condition, with good provenance and fresh on the market, will sell as well as ever - holds: anything less than special will struggle.

In theory most British antique dealers had a good time last year - or at least in the early months. Members of the British Antique Dealers Association (BADA) reported a sales growth of 50 per cent while the dealers who belong to London and Provincial Art Dealers Association (LAPADA) reported a 41 per cent rise. But by mid-year trading conditions were noticeably tougher, and deal-

ers are less optimistic about 1999. Picture dealers, who have only recently enjoyed stronger demand, saw trading conditions slacken, and even furniture dealers, who largely escaped the worst of the recession, noticed a dip. Stuart Whittington of Norman Adams reported a good year, thanks mainly to American buying, but the major autumn auctions at Sotheby's and Christie's offered few choice items and buying interest was patchy.

What makes dealers particularly depressed about 1999 is the planned doubling of VAT. Overseas buyers accounted for well over half of BADA dealers' sales in 1997-98, and for 40 per cent of LAPADA members' sales. Any restrictions, in terms of excessive paperwork as well as extra tax, on the free flow of antiques will badly damage the London market, and force more goods to New York and Switzerland.

Already the leading auction houses, in particular Sotheby's and Christie's, with offices around the world, are directing goods to New York, which has long overtaken London as the centre for 19th, 20th century and contemporary art, the sectors which account for the majority of all sales. In its autumn auctions in New York Christie's brought in \$275m and Sotheby's \$212m. In contrast, Christie's in London in December did well selling works from the same period, but totalled just £88.2m, with Sotheby's trailing. Over the year the two auction houses competed furiously, and there will be very little if it when their 1998 turnovers are released later this month.

The last few weeks of 1998

were quite encouraging for London. The biggest surprise was the demand for works by Young British Artists. The main collector in this field, Charles Saatchi, sold 130 works through Christie's to raise money for art school charities. It was hoped to bring in £1m but in the event £1.6m was realised. Damien Hirst, whose prices at auction were beginning to look soft, sold one of his sculptures of cow organs for £139,000. Many other young artists enjoyed their first exposure to an auction, doubling the retail value of their works.

Sotheby's great year-end achievement was securing, in quick succession, £914,500 for a portrait by Lucian Freud of fellow artist Frank Auerbach and then £2.8m for one of Freud's giant nudes. It does seem that contemporary art is coming to the aid of the auction rooms, and the big dealers. Apart from rising prices it also has the inestimable attraction of being in fresh and growing supply: over time the best old works are usually lost to the market.

In 1999 the trends in the art market over recent years

will continue and intensify.

Sotheby's and Christie's will

extend their influence at the expense of the dealers, and attempt to become the biggest art retailers as well as the leading wholesalers. In New York, now the centre of their worlds, they are both building large new headquarters. Christie's taking a 30-year lease on part of the Rockefeller Centre, and Sotheby's adding six new floors to its building in York Avenue.

They are aiming for one

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The London stage

Return of repertory will test the stars

Rarely shown Russian classics and some brand new plays will spice the West End programmes, writes Alastair Macaulay

Ispertory is back. The good old system, whereby actors are hired to take parts in more productions than one at a time, will make another return to the heart of British theatrical life in 1999, when Trevor Nunn launches a pair of new productions: Shakespeare's *Troilus and Cressida* (press night March 15) and Leonard Bernstein's musical *Candide* (press night April 18), both co-directed by Trevor Nunn and John Caird and both featuring the same players.

At the Royal Shakespeare Company a large number of actors will, as usual there, be performing more plays than one in forthcoming repertory. Alan Bates, last seen in Shakespeare almost 10 years ago when playing Benedick in a West End *Much Ado*, is the most eminent of these; at Stratford-upon-Avon, in the spring, he plays Shakespeare's Antony to the Cleopatra of Francis de la Tour, as directed by Stephen Pimlott, and Shakespeare's *Timon of Athens*, directed by Gregory Doran. The return of *Timon* to the main stage of the Royal Shakespeare Theatre, for the first time since the 1960s, is an important reply to recent criticism that the RSC only offered Shakespeare's best-known and most audience-friendly plays as its big-stage productions.

Other RSC actors will be doubling in such productions as a new stage adaptation of Ted Hughes's *Tales from Ovid*, as directed by Tim Supple (Swan Theatre, March), and Adrian Noble's new staging of T.S. Eliot's *The Family Reunion*.

The National Theatre's staging of *Troilus and Cressida*, coming only a few months after the Royal Shakespeare Company's recent production, indicates a new sort of rivalry between the RSC (which Nunn used to direct) and the National (in which Nunn is now in his second season) over central Shakespearean repertoire.

The RSC's forthcoming *Antony and Cleopatra* may well be read as some kind of retaliation, the more so since the National Theatre's recent production was among the most vilified theatrical events of 1998. (Compare and contrast Helen Mirren and Francesca Annis in *The Winter's Tale*; compare and contrast Alan Rickman and Alan Bates.)

Meanwhile, the RSC brings its recent *Richard III* (starring Robert Lindsay) to the West End, opening at the Savoy Theatre on



From Stratford to the Barbican: a scene from Richard Nelson's *Goodnight Children Everywhere*, featuring Robin Weaver as Vi and Simon Scardifield as Peter

Hugo Glendinning

January 21. And producer Thelma Holt dares to mount a new *Macbeth* in the West End this March. Rufus Sewell, an actor with virtually no Shakespearean experience, plays Macbeth; Sally Dexter, who put in some very distinguished work with the RSC earlier in the 1990s, plays his wife; John Crowley, who has staged several plays (mainly non-Shakespearean) for the RSC and National Theatre, directs.

Another important 1999 Shakespeare production will be seen out of London: Jude Kelly's staging of *The Tempest* (opening in February), with Ian McKellen as Prospero, the final production of the three-play six-month repertory system led by this star actor. Gregory Doran directs a new RSC production of *The Winter's Tale*

in January, featuring many of the same actors as have been appearing in Nunn's *The Lion, the Witch, and the Wardrobe*.

A few new other produc-

tions for the West End are defi-

nitely scheduled at this time.

Mamma Mia!, a musical based

on the songs of Abba, with music

and lyrics by Benny Anderson

and Bjorn Ulvaeus, opens at the

Prince Edward Theatre in April.

Hal Prince directs a new produc-

tion of Strindberg's *Miss Julie* in

the summer; it may be presumed

that a star is due to play the title

role.

Ewan McGregor's performance

in *Little Malcolm and his Struggle*

against the Eunuchs

(currently at the Hampstead Theatre) will be seen at the Comedy Theatre from

January. Other West End produc-

tions will include two transfers

from Trevor Nunn's first season

at the National Theatre: his own

production of the Rodgers-Ham-

merstein musical *Oklahoma!*

(Lyceum Theatre, opening in Jan-

uary) and Michael Blakesmore's

new version of the Marivaux clas-

sic *The Dispute at The Other*

Place in Stratford-upon-Avon in

February and March.

RSC productions arriving from

Stratford at the two Barbican

theatres in 1999 include Adrian

Noble's production of *The Tem-*

pest and *The Lion, the Witch,*

and the Wardrobe; Michael Boyd's

of Measure for Measure; John Crow-

ley's triptych of Irish plays,

Shadows (*Synge and Yeats*);

James Macdonald's production of

the Bernard-Marie Koltès play

Roberto Zucco; and Ian Brown's

of the new Richard Nelson play

Goodnight Children Everywhere

(incest between recently sun-

dered siblings reunited after the

second world war). The RSC has

given the premieres of numerous

plays by Nelson over the years;

this production will be the end of

their association.

The Almeida Theatre, which

has done so much to inject new

excitement and glamour into London theatre in recent years, has several new productions under preparation. Perhaps the most prestigious of these is Jonathan Kent's staging of David Hare's play *Plenty*, starring Cate Blanchett and opening on April 27.

Maxim Gorky's exciting but seldom seen *Vizzzi* will continue the Almeida season at the Albery Theatre (opening on January 20); Howard Davies directs a cast led by Sheila Hancock, and including Anne-Marie Duff, Ron Cook, Debra Gillett, Aisling O'Sullivan, and Adrian Scarborough. A perhaps more promising assembly of actors will perform Peter Gill's new play *Certain Young Men* at the Almeida (opening on January 27); Danny Dyer, John Light, Jeremy Northam, Peter Sullivan, Andrew Woodall.

Of the several new plays so far definitely scheduled, perhaps the most newsworthy will be Hanif Kureishi's *Sleep with Me*. Kureishi is not best known as a theatre artist; this production opens at the National Theatre in its Cottesloe auditorium on April 22, as directed by Anthony Page. Will the National maintain its stature as our foremost home for successful new drama? Another premiere will be *The Riot*, a new play by Nick Darke opening at the Cottesloe Theatre in February.

This may be an interesting year for Russian plays by authors other than the ineritable Chekhov. On January 22, the National Theatre presents Ostrovsky's *The Forest* (soon after the Almeida's production of Ostrovsky's *The Storm* was performed at the Almeida), opening at the Lyttelton Theatre in a version by none other than Alan Ayckbourn. Anthony Page directs; Michael Feast and Frances de la Tour lead the cast.

The Almeida Vassar at the Albery is one of two announced Gorky productions; the other is *Summerfolk*, due at the National later in the spring.

London theatre usually contains a high quota of productions of seldom seen plays that help to flesh out our understanding of world theatre and its history. Perhaps the most intriguing of these for 1999 will open at the Riverside Studios in January. You may well not have heard of *The Decreed*, written in 1532 by the Intronati of Siena. But you probably have heard of the play that was based on it some decades later: *Twelfth Night*.

Decorative arts

The emperor and the maharaja

Susan Moore previews a spate of exhibitions that bring to life some great figures of the past

holding; his record at the Met and The Cloisters – one of the world's great collections of medieval art – is remarkable.

On show are objects from antiquity to the 16th century, embracing the likes of Bronze Age jewellery, Byzantine silver and enamels, filigree and cloisonné Anglo-Saxon brooches and Spanish romanesque manuscript illumination, as well as striking aquamaniles, sculpture, tapestries and stained glass, thematically arranged and placed in context. Look out for the 14th-century English ivory brown Madonna from the John Hunt collection in Dublin, and the exquisite boxwood statuette of the Virgin and Child attributed to Nikolaus Gerhaert van Leyden, one of the finest and most influential sculptors of the mid- to late-15th century. It has a drama and monumentality which belies its mere 13 in height (March 9–mid July).

The Metropolitan Museum of Art, meanwhile, is host to nearly 300 masterpieces of medieval art drawn from its much loved sister institution, The Cloisters, that eccentric assemblage of French cloisters and pan-European works of art perched high above the Hudson on the outskirts of New York. The show, "Mirror of the Medieval World", is a vale-dictory to William D. Wixom, retiring chairman of the Met's medieval art department and of The Cloisters.

As a selection of acquisitions made over the last two decades, the show could not be more fitting. For Wixom, all too rarely among museum curators, has a passion and an unerring eye for a great work of art, and the hunter's instinct in tracking it down. Previously he had transformed the medieval collection at Cleveland into an internationally renowned

New York instead (March 16–June 27). It travels on to Kobe and Kyoto.

As well as a cluster of medieval shows, the year also offers various takes on the baroque. To note three: "Ambiente Barocco: Life and the Arts in the Baroque Palaces of Rome" brings together a lush profusion of elaborately carved furniture, sculpture, clocks and candleabra, costumes and textiles, silver and musical instruments, plus some paintings, drawings and prints (Bard Graduate Center for Studies in Decorative Arts, New York, March 11–June 13; the Nelson-Atkins Museum, Kansas City, July 25–October 3.)

Also making its way across the US is "Land of the Winged Horsemen: Art in Poland, 1572–1764", some 150 works of the fine and decorative arts drawn from more than 25 public collections in Poland. The show reflects Poland's clashes with the Infidel, clashing Ottoman boot in the form of armour and textiles. Opening at the Walters Art Gallery, Baltimore, March 3–May 9, it travels on to Alabama, San Diego and Tulsa. (It is Charles I's spectacular armour, hand-engraved and covered in gold leaf, however, that is the centrepiece of "To Kill a King", at the Royal Armouries, Leeds, January 30–April 18.)

The baroque aesthetic also made its way across the Atlantic: as witnessed in "The Arts of Early Pennsylvania 1680–1768". This show charts the evolution of colonial furniture, ceramics, textiles, silver and metalwork and painting. (Philadelphia Museum of Art, October 10–Jan 2, 2000.) More of the Ottoman court, at the Chateau de Versailles, Paris, may seek it out at the Metropolitan Museum in

sail this time. "The Treasures of the Sultan: Topkapi at Versailles" explores the relatively little-known period of the 17th and 18th centuries when the French and Ottoman courts were most curious about one another. The exhibition charts the nature of the imperial residence, its role as an intellectual and cultural centre, and how the sumptuousness and refinement of the lifestyle was combined with customs surprising to western sensibilities (May 7–August 15).

"Arts of the Sikh Kingdoms" at London's Victoria & Albert Museum is the first international exhibition devoted to the cultural heritage of the Sikhs. It was 1801 when Ranji Singh was proclaimed the first Sikh maharaja of the Punjab at Lahore. This show traces the eventful history of the maharaja and his successors and features paintings, textiles, weapons and some of the most spectacular jewels from the Sikh treasury. Made by and for Sikhs, Hindus, Muslims and even Europeans, they reflect the cosmopolitan and egalitarian atmosphere of the age (March 25–July 25).

A little-regarded art form and an even less familiar culture are under examination in an exhibition of Burmese lacquer at the British Museum (September 24–December 12). Its base is the gift of some 270 examples – of vessels, furniture, sculpture, manuscripts, even musical instruments and architecture – amassed by Ruth and Ralph Isaacs, supplemented by loans from the Royal Collection and viceregal collections. "Fabric of Enchantment", at The Textile Museum, Washington DC, takes a closer look at Javanese batik (February 4–April 26).



Maharaja Ranji Singh with Retainers, Lahore: from the V&A Museum's forthcoming Arts of the Sikh Kingdoms

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GLOBAL ARTS '99

US theatre

There is nothing like a Dame

New Yorkers keenly await Judi Dench's Broadway debut in one of several plays transferring from London, writes Brendan Lemon

When Audra McDonald, the American theatre's newest diva, released her debut solo album this past fall, many observers were initially disappointed that her record's selections consisted not of the usual Kern-Porter-Gershwin standards but of songs by a new generation of musical-theatre composers. McDonald's strategy, however, showed remarkable prescience: the composers she has been championing promise to be among the dominant forces on the American theatre schedule for 1999. Two of McDonald's favourites will be particularly visible. Michael John LaChiusa, best known for his deeply flawed version of Schnitzler's *La Ronde*, will have two new years ago, will have two new productions opening in New York.

The *Wild Party*, based on an effervescent flapper-era poem by Joseph Moncure March, will begin performances at the Public Theatre in the spring, and *Marie Christine*, a 19th-century setting of the Medea story that LaChiusa has written expressly for McDonald, will open at Lincoln Centre Theatre in the autumn.

The other McDonald darling, Adam Guettel, astonished theatregoers a few seasons ago with his coal-miner

musical *Floyd Collins*, but the piece closed before drawing the audience it deserved. In the coming months, though, new productions of the work at prominent regional theatres (such as the Goodman, in Chicago, beginning April 23) are certain to widen the show's considerable cult reputation. Another New York run seems likely.

Other musical offerings promise less adventure and more razzle-dazzle. *Fosse: A Celebration of Song and Dance* is set to open at Broadway's Broadhurst on January 14. This revue devoted to the director/choreographer Bob Fosse follows the huge success of *Cabaret* and *Chicago* musicals staged by the late showman, and is being overseen by Fosse's widow, Gwen Verdon, and his protégé, Ann Reinking.

Meanwhile, *The Civil War*, based on letters and diaries from the American 1860s, is the latest from composer

Frank Wildhorn. Wildhorn is not known for his subtlety or sophistication, but no one who has observed the rabid fans outside the stage door of his two current Broadway shows, *Jekyll and Hyde* and the cleverly revamped *Scarlet Pimpernel*, should dismiss the prospects of the Abe Lincoln-era saga, which opens at Broadway's St James' Theatre on April 22.

Broadway will not be quite

as awash with musical revivals in the new year as it has been in recent seasons. Fans of Bernadette Peters, if not happy to see her step into the hats and holsters of the Wild West tale *Annie Get Your Gun* which opens on March 4 at the Marquis, and lovers of the comic strip *Peanuts* will be buoyed to learn that a restaging of *You're a Good Man, Charlie Brown*, the 1967 musical based on the cartoon series, will bow at the Longacre on February 11.

Of the play revivals

headed for New York, two themes may be discerned:

English kings named Henry and the US dramatist Eugene O'Neill.

In the Roundabout Theatre's late-winter staging of *The Lion in Winter*, Laurence Fishburne plays Henry II and Stockard Channing Eleanor of Aquitaine; and in *A Man for All Seasons*, due for a pre-Broadway national tour next winter, Derek Jacobi will star as Sir Thomas More, lord chancellor to Henry VIII.

Late in the year, O'Neill's

A Moon for the Misbegotten

will mark the return of the radiant Cherry Jones to both Broadway and to classical roles. And in April, O'Neill's

The Iceman Cometh,

which originated at London's Almeida Theatre, looks

likely to make Kevin Spacey's return to the New York stage equally triumphant.

Observers were all but ready to award Spacey a Tony statuette, until Chicago's Goodman Theatre announced that

in January its acclaimed production of *Death of a Salesman*, with Brian Dennehy, would move, ironically, into Broadway's Eugene O'Neill.

Also clouding Spacey's excellent prospects is the fact that New York audiences can be wary of English productions of American classics. They tend to be more receptive to new plays from London. Before the Tony deadline, May 1, Broadway will in that regard welcome: *Closer*, Patrick Marber's contemporary look at a young woman (to be played by Natasha Richardson) and her relationships with two men; *The Weir*, Conor McPherson's examination of a band of bachelors trading ghost stories in an Irish pub; and *The Unexpected Man*, about a novelist and his admirer, which is playwright Yasmina Reza's follow-up to her highly successful *Art*.

The London transfer

which may be exciting the most interest, however, is David Hare's *Amy's View*, scheduled for Broadway sometime in April. The anticipation perhaps owes less to the promise of another new work from the prolific Hare (his *Judas Kiss* met a very mixed reception on Broadway last spring) and more to the thought of Dame Judi Dench - at last - making her Broadway debut in the role of stubborn old-style actress.

Other luminaries will be represented off-Broadway, too: Uma Thurman will star in Molière's *Le Misanthrope* at the Classic Stage Company, opening next month; and Harold Pinter, whose 1996 play *Ashes to Ashes* will bow at the Gramercy in mid-February, with Lindsay Duncan and David Strathairn.

Also on deck is Pinter's double-bill *A Kind of Alaska* and *The Lover*, which will be produced in May at the Manhattan Theatre Club. Neither that organisation nor its similarly reputable midtown counterpart, Playwrights Horizons, has had a rousing

critical hit lately, although that may change for the latter in '99, owing to a new comedy by one of New York's most beloved writers, Christopher Durang. His *Betty's Summer Vacation*, which focuses on a country-cottage roundelay, opens at Playwrights on March 14.

Another Playwrights veteran, A.R. Gurney, has shifted his allegiance to Lincoln Centre Theatre. Gurney's dissections of upper-middle-class behaviour have lately lacked their characteristic drinks-party fizz but it may bode well that his new play, *Far East*, has a historical setting (Japan during the Korean War) and a young, dynamic cast, headed by Michael Hayden. Opening night is January 10.

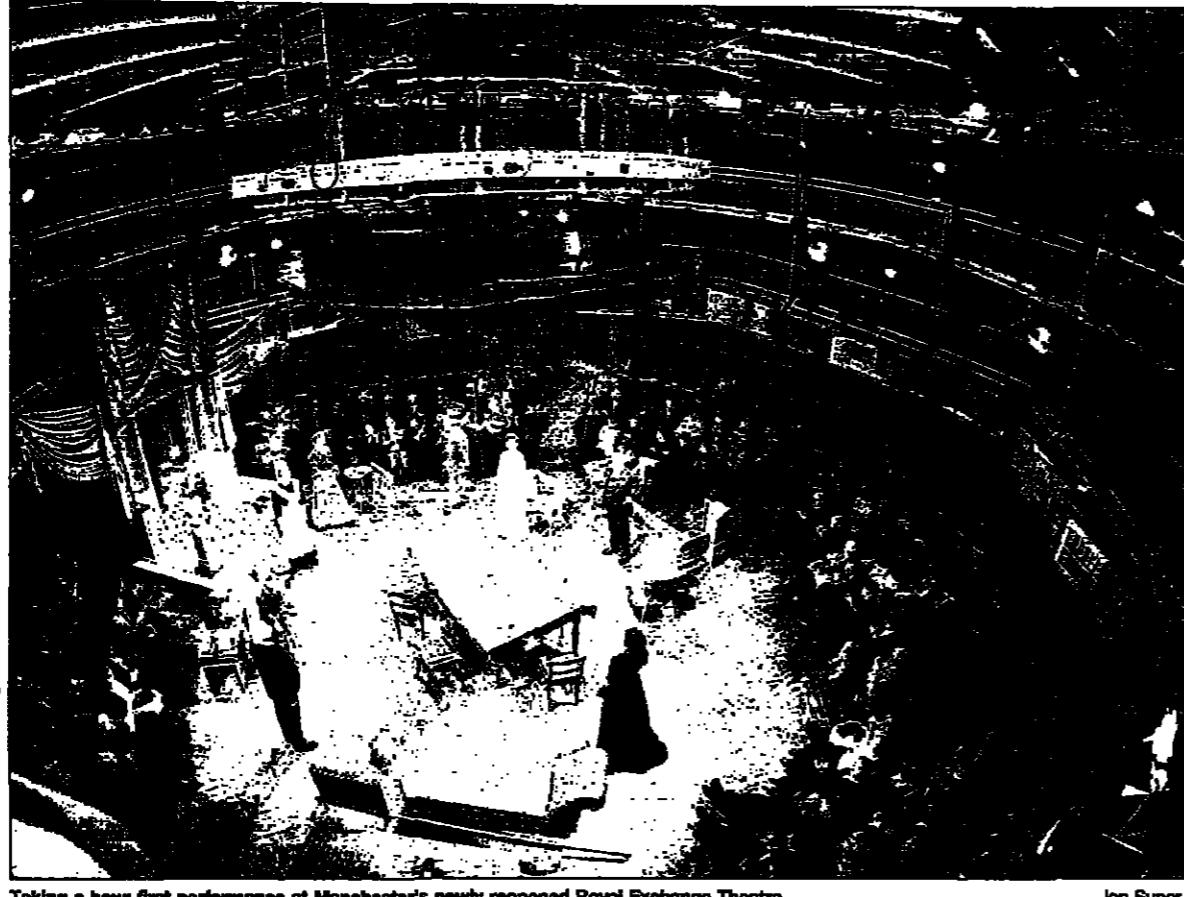
No matter how vibrant a

theatregoers do not feel

Broadway is really Broadway unless there is a new Stephen Sondheim musical afoot. While his new piece,

Wise Guy, set in the 1920s and concerning two American brothers, will probably not have its New York première very soon, it looks almost certain that a production of it, perhaps in San Diego, will open before the end of the year.

Heading west: Judi Dench as a stubborn old-style actress in David Hare's *Amy's View* Alastair Muir



Taking a bow: first performance at Manchester's newly reopened Royal Exchange Theatre

Jon Super

The arts in the UK

Whingers are silenced

The combined revolution of lottery funding and imaginative management is having a surprising effect, says Antony Thorncroft

Centuries ago artists were mainly in the business of spreading light and joy; now they prefer gloom and doom. This is certainly true of the cultural industry, which has developed on the back of working artists in recent decades.

The fact is that there has never been more opera, music, dance, drama and art produced in the UK. One inevitable consequence of this cultural outpouring is that Government subsidy failed to rise in line with the output: the overall grant was frozen for much of the 1990s and some of the plethora of arts companies struggled to survive.

Then came the lottery, pumping over £200m a year into the arts in England alone, with as much again revitalising museums and the heritage. Add in a new Government which wanted to broaden the appeal of the arts, and was prepared to pay to achieve such a transformation, and the stage should have been set for an end to the ingrained pessimism of the arts community.

No chance. In December, there was general silence when culture secretary Chris Smith announced how he was going to spend the extra £290m in subsidy he had obtained for the cultural institutions over the next three years.

Days later the chairman of the Arts Council, Gerry Robinson, gave away £118.8m for 1999-2000, 15 per cent more than in the current year, with above inflation increases promised for the next two years.

Was the arts community happy? Not on your life. It continued to complain that the lottery money invested into new theatres, opera houses, art galleries, etc. would not help to fill them with artistic events, or audiences, even though changes to the lottery act mean that

lottery money can now be used for revenue funding.

The Jeremiads say that the extra subsidy is too little, and comes too late, and anyway is not evenly spread.

But the days of the whinger may be numbered. In Gerry Robinson the arts has an unusual benefactor. He is an outsider who takes a business approach to the job and is reluctant to throw good money after bad. He is backing winners, in terms of companies and art forms, and already seems prepared

IThe year could be judged by what happens at the Royal Opera House, Covent Garden

to risk the anger of numerous drama companies by freezing their grants.

So far his revolutionary approach - more than halving the size of the Arts Council and its work force, and devolving most funding decisions to the regional arts boards - has been met with stunned acquiescence from the arts world. This will be the year in which his policies will prove life saving or impractical. It could also be the year when certain established art forms may find themselves suddenly less fashionable with the Arts Council than more populist, community-based, ethnic minority interests.

In short, the arts in the UK could be on the brink of an exciting adventure, even a golden age.

For all the scare stories, no lottery funded arts building that has opened has been forced to close through lack of revenue funding. Undoubtedly the extra costs of running new buildings were under-appreciated and there have been tricky times for the new and refurbished theatres at Cambridge, Scarborough, the Green Room in Manchester, and the Quay arts centre on the Isle of

Wight, but they are all still in business.

The biggest venture to date, the new Sadler's Wells in London, has got off to a good start, and the rebuilt Royal Exchange Theatre in Manchester has been warmly welcomed, as have important new cultural centres in Stoke, Malmesbury and Hereford. Another theatre which caused some anxiety, the Royal Court in London, has been rescued, thanks to £3m from the Jerwood Foundation and should open this

manager, or both, has never been satisfactorily solved. The UK's leading arts centre, on the South Bank, is currently wrestling with the problem as it seeks a new chief executive.

The Royal Opera House,

Covent Garden, has gone for the dual approach. Its administrative supremo, the American Michael Kaiser, has made an impressive start since arriving in November, keeping the music director Bernard Haitink on board and restoring to the schedule a few performances of *Paul Bunyan* from the cancelled Royal Opera programme, but the hunt is still on for his artistic partner.

In fact, the whole arts year could be judged by developments at the Royal Opera House. The rebuilding of this, the largest arts lottery project, costed at £214m, with £78m coming from the lottery, is on schedule, and the new Covent Garden should open in early December. If all goes well, and the inaugural production of *Falstaff* is a success, and the new artistic director is admired, then the arts generally will be regarded as a cause for national celebration rather than the object of derision and criticism that it is today, at least in the media.

There are also schemes in place to use lottery money to entice in new audiences, especially the young, with special ticket offers. If arts companies fall into debt in the future will it be because they are badly managed or because they are creating work which has no popular, or artistic, relevance?

A flourishing arts scene needs more than money. The main challenge this year, as ever, will be raising the management competence of arts companies. The problem of whether an arts organisation should be led by a great creative force or by a skilled

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FINANCIAL TIMES

No FT, no comment.

GLOBAL ARTS '99

The big event of the dance year is the celebratory season by New York City Ballet to mark its golden jubilee. In 1948, George Balanchine and Lincoln Kirstein realised their dream of an ensemble dedicated to the idea of American classical ballet. Installed at the New York City Center, the company was to be the means by which the greatest choreographer of our century produced a miraculous catalogue of ballets. This year, in two seasons that run through until summer, NYCB will show a hundred ballets, by Balanchine, Jerome Robbins and their successors, in thematic festivals using scores by Stravinsky and Tchaikovsky, American music, with new commissions, new ballets. Exhilarating prospect.

Writing about the early years (which I recall as one does the delights of first love) Kirstein observed: "Stage we had not, and would not have for another 20 years. In England, with the inestimable advantage of Lord Keynes's patronage... Marie Rambert and Ninette de Valois were beginning to enjoy the results of their Herculean labours." In the light of matters now, we may wonder at the comparative fortunes of the beleaguered and state under-funded Royal Ballet and the flourishing if privately subventioned NYCB. To NYCB, congratulations on its jubilee and vast gratitude.

All the best evidence for US both and know The remain MCL from cation the e protract. The rude boxer's much had went Amer have pay were uner 43 pe utes undid they to his Am mon mutu of a r inves lowr last who day Allian largers s mark reflec sales comp annu: first it Inv not a testet year. the resea

Other New York events meriting attention are the late spring season by American Ballet Theatre at the Metropolitan Opera House from April 26 until mid-June, which will feature six full-length ballets and the company's acquisition of MacMillan's *Anastasia* (Viviana Durante will repeat her fine interpretation during the season), and a gala *Don Quixote* on the first night featuring three sets of principals.

There is a proposed summer visit by the Kirov Ballet, and a season by the life-enhancing Paul Taylor Company in early March at the City Center. The San Francisco Ballet, on home territory, presents no fewer than eight programmes between January and May, with a largely contemporary repertory that is well worth sampling.

In Paris, the Opéra Ballet performs until July 15, at the Palais Garnier or the Bastille Opera House. Superlative dancing, interesting programmes which bring the classics, honoured modern masterpieces by Balanchine



Expression of pride: the New York City Ballet performing Igor Stravinsky's *Agon*, choreographed by George Balanchine

company's bright public image have won new audiences. Sunderland, once a notorious graveyard for ballet, has been won over; cheap prices, skilled marketing fill the theatre for BRB.

English National Ballet also knows how to reach out to audiences. The company has two fixed points in its year: Christmas at the Coliseum and a summer blockbuster at the Royal Albert Hall. (This season it will be a revival of *Swan Lake* in the round). Spring will bring a split tour, with an approachable repertory on view in 12 regional theatres, and there follows a visit to Australia in May for 12 performances of *Swan Lake* in Sydney, Melbourne and Brisbane.

Scottish Ballet makes a Spring tour to Glasgow, Aberdeen, Edinburgh with its fine *La Sylphide* and a triple bill which contains two as yet unannounced novelties. Northern Ballet Theatre will stage a new *Carmen*, choreography by Didi Veldman, in Leeds on February 22. Rambert Dance Company tours Britain and visits Austria in February and Italy in April, and has its Sadler's Wells season in May, when new works will include the bravura *Golden Section* by Twyla Tharp.

Among visitors to Sadler's Wells, Irak Mukhamedov appears in a new *Don Juan* by Kim Brandstrup for Arc Dance (opening at the Wells on March 1); Pina Bausch brings her Wuppertal Dance Theatre to the Wells at the end of January with *Viktor*, while Pacific Northwest Ballet (much admired at the Edinburgh Festival last summer) will bring two programmes during the week of February 22, including a happy staging of Balanchine's *Midsummer Night's Dream*, and the Norwegian National Ballet will appear at the Wells in November with Michael Corder's *Romeo and Juliet*.

In St. Petersburg, the Kirov Ballet is preparing a revision - in effect, a cleaning of the text - of *Sleeping Beauty* in early spring, and the company will visit Munich in March with three performances of *Swan Lake* and a Fokine evening during the Bavarian State Ballet's annual Festival Week. The Bavarian State Ballet will, as part of an interesting repertory, stage a new *Emma B* by Jean Grand-Maitre at the start of the ballet week on March 24.

The new year, as you may judge, promises to be busy. Lord Chesterfield, in one of those letters, observed that "dancing is a very trifling and silly thing". Well, up to a point, Lord Chesterfield.

Ballet

An all-gold celebration

and Robbins (in March), novelties (Angelina Preljocaj's *Le Poer* returns in April, and William Forsythe has a new piece for the company as part of an all-Forsythe evening, also April).

In May, the company will pay a one-week visit to Japan with Béjart's *Ninth Symphony*. In late June and July, *Swan Lake* and *La Sylphide* will play concurrently at the two theatres. Try to see Elisabeth Platel as the sylph - ineffable grace. For Béjart devotees, the maestro brings his troupe to the Palais des Sports in Paris (February 4 to 21) with two "ballets for today".

In the French regions, plenty of activity: Lyon offers eight ballets in programmes devoted to new choreography; Nice will show Cranko's *Onegin* in May, and a new *Carmen* by Jean-Christophe Maillet in April, after which the troupe leaves for an extended tour of North America.

There are productions of old favourites. For the Vienna State Ballet, Vladimir Malakhov stages *La Bayadère* in February, and Makarova's version of the same piece is in repertory at La Scala, Milan, at the same time. Milan brings back

June, and there are three evenings by young choreographers in May. Toulouse shows three programmes during the spring; the Ballet de Nancy mounts a Diaghilev homage in mid-April, and a new work by Roland Petit (June 24-29).

For the most adventurous modern dance, the Théâtre de la Ville in Paris has innovative programmes, and the admirable Maison de la Danse in Lyon plays host to 30 visitors, from ballet troupes to the wildest adventures among French experimentalists. In Monte Carlo, the principality's Ballet will show a new *Cinderella* by Jean-Christophe Maillet in April, after which the troupe leaves for an extended tour of North America.

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Giselle in the beautiful old Alexandre Benois designs in May, presents Carla Fracci in evenings devoted to Ida Rubinstein (in the Teatro Studio in April), and hosts performances by the Tokyo

February 10 at the Muziektheater in Amsterdam. Holland's other troupe - which is the three Nederland Dans Theater companies - will tour widely east and west and, to mark the 20th anniversary of

bird and *Le Sacre du printemps* (which should set the original choreographers - Fokine and Nijinsky - spinning in their graves).

Meanwhile, our Royal Ballet is keeping its head above

Birmingham Royal Ballet knows exactly what it is going to do until next December. The company visits Sadler's Wells in February with David Bintley's *Edward II* and a triple bill including Ninette de Valois's joyous *The Prospect Before Us*. Twyla Tharp's *in the Upper Room* has been

water with an important tour to the Far East in April and May, visiting Japan and China, and preceding this with a small split tour during early March to eight regional theatres with *Dance Bites* - creations by Michael Corder, Cathy Marston, Mark Baldwin and William Tuckett. Scheduled London appearances are for three weeks in July at Sadler's Wells, with new work by William Tuckett, and the happy return of Ashton's *Ondine*. What happens thereafter can probably best be divined by inspecting the entrails of a chicken.

In the autumn, a new *Giselle* will be produced by Bintley and Galina Samsova, and Bintley also stages a new *Shakespeare Suite* (Duke Ellington score) and acquires Balanchine's *Slaghter on Tenth Avenue*. The company will tour Britain where, be it noted, Bintley's policies and his

Clement Crisp looks forward eagerly to the special season with which the New York City Ballet will celebrate its 50th anniversary

Ballet of Béjart's *Nutcracker* in April.

New works are on view in Belgium: the admirable Royal Ballet of Flanders shows creations by Christopher d'Amboise and Jean-Christophe Maillet in February, while in Brussels the Rosas Dance Company displays a new piece by Anne Teresa de Keersmaeker at the Luna Theatre in May, later to be seen at the Théâtre de la Ville in Paris. The Dutch National Ballet is to mount a full-length *Magic Flute* by Wayne Eagling and Toer van Schayk (who also provides the designs) on Feb-

1st 1999

it young NDT 3 group, will produce new dances from seven creators.

The Royal Danish Ballet

pays a week's visit to the Palais Garnier (January 21-28) with the adorable *Napoleon* and a triple bill, and will then, on its home ground, present four new ballets which emerged from its 1993 Choreographic Competition. Programming also brings short works by Lifar, Mats Ek, Béjart, Stanton Welch and Nacho Duato, the return of Nureyev's sparkly *Don Quixote*, and a visit by the Tokyo Ballet with Béjart's versions of *Petrushka*, *Fire*-

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Cinema

Bugs and bard strut their stuff

Insects posing as film stars means the millennium must be treated seriously, says Nigel Andrews

The hero and main characters of the most successful film in America as I write are insects. We knew that these creatures were taking over the world: it is a scientific fact that the next millennium will be celebrated by millipedes. But this is alarming.

Disney's digital animation feature *A Bug's Life*, opening in the new year in the UK, is following *Antz* into the minds, hearts and pockets of filmgoers. And, since any living organism can now be reproduced on film, voiced by famous actors and riveted by computer graphics (with an increasing input of famous-actor idiosyncrasies), how long before Tom Hanks lends his digitally-scanned essence to the role of a bacterium, or Jim Carrey to a wacky amino-acid?

Millennia are serious things: 1999 may be the last year in which normal plots with normal humans stalk the screen. So with almost tearful valedictory fondness we record that the old favourites will be back, with us once more (at least, or in the case of Brad Pitt and Tom Cruise thrice more per movie brat). Pitt's 1999 repertoire ranges from *Death* (in the fantasy comedy *Meet Joe Black*) to *General Custer*, while Cruise's trio includes the long-awaited Kubrick erotic thriller *Eyes Wide Shut*, co-starring his newly sensational other half Nicole Kidman. Another Bond film will arrive, directed by Michael Apted of TV's *Seven Up* docuseries. And Pierce Brosnan himself, Mel Gibson and Samuel L. Jackson will each star in major new Hollywood thrillers.

It is typical of a *fin de*

siecle, let alone *de* millenium, that humanity takes a last lingering look back before jumping into the unknown. Which explains why we are seeing *Psycho* again, in the bizarre-sounding shot-for-shot remake by Gus Good Will Hunting Van Sant; why the sequel/prequel industry is busy with *Austin Powers 2: Mission: Impossible 2*, *Nutty Professor 3* and a film we must probably call *Star Wars IV* rather than *Star Wars IV*, since its action precludes not just the Luke Skywalker trilogy we know but two more prequels in the planning.

Happly for older movie-makers, the 1999 nostalgia boom offers more evocative, less grimly derivative plunderings. The rhapsodically pre-ved Shakespeare *Love* exhumes our beloved Bard in a Stoppard-scripted romance starring Joseph Fiennes and Gwyneth Paltrow, the American actress who seems to be playing all our British heroines (except for Elizabeth I, played by an Australian). Anthony Minghella's *The Talented Mr Ripley* resurrects Patricia Highsmith's great psychopath, who stalked through two previous Euro-gems, *Clement's Purple Noon* and *Wenders' The American Friend*. And the all-star war film *The Thin Red Line* reanimates the directing career of Terrence Malick, who vanished from our screens after *Badlands* and *Days Of Heaven*. In addition, *Mighty Joe Young* revisits a lovable monster classic first made in the shadow of *King Kong*. And *Notting Hill* essays the most serious resuscitation of all. It puts

semi-extinct heartthrob Hugh Grant into a Richard Curtis script said to be a million light years from *Four Weddings And A Funeral*.

Can British cinema revive? The question would have seemed redundant in 1997, when it rode so high that it was honoured with an entire tribute season at the Venice Film Festival. In 1998, though, it has threatened to collapse in the saddle. At press shows, a regular cue for silent panic has been to see the words "European Script Fund" "Arts Council" or "National Lottery" in the credits. They mean that an Anglo-inspired Euro-pudding is about to splatter the screen, or else that some amateurish British brainstorm, made at once bankable and artistically bankrupt by the presence of an American star plus mid-Atlantic plot compromises, will filth its hour upon the screen before vanishing into TV.

At least the cultural trade pattern is not all one way.

We export talent as well as borrowing it. In 1999 Kenneth Branagh will be seen

twice in major American

films, bravely, nay,

recklessly expanding his range.

He plays a Woody Allen

variant in the main role of the

master's new comedy *Celebrity*,

then a steam-driven

android bent on assassinating

the US President in *The Wild Wild West* from direc-

tor Barry (Men In Black) Sonnenfeld. And although England's Terence Rattigan might turn in his grave at America's action-fantasy hijacking of his title *The Deep Blue Sea* - in the Hollywood version genetically modified cyber-sharks attack

Samuel Jackson - Scotland's

Ewan McGregor may enter

the top-dollar stratosphere

after playing the young Obi

Wan Kenobi in the *Star*

Wars prequel.

No preview of a year can

be complete without listing

oddities outside the main-

stream. Will Roman Polanski

restore his reputation with

the demonic thriller *The*

Ninth Gate, starring Johnny

Depp? Will the writer of

Seven, Andrew Kevin

Walker, confirm his macabre

talent with two new scripts:

Smn, in which Nicolas Cage

prowls the world of snuff

film; and *Sleepy Hollow*, with

director Tim Burton tackling

the "headless horseman"

fable? What of Britain's *His-*

taunt, the promisingly

buzzed new outing for Kate

Winslet? And whatever will

Magnolia be like? The new

film from Paul Thomas

Anderson of the porn opera

Boogie Nights features sev-

eral of that movie's players,

plus guest star Tom Cruise.

We almost forgot the rest

of the world. But then dis-

GLOBAL ARTS '99

Concerts and opera

Scent of a vintage year

With no preponderant composer anniversaries due, there is a sense of open-minded stocktaking before the century ends, says Andrew Clark

The year ahead looks reassuringly undoctrinaire. There are no dominant composer-anniversaries, but there is a sense of taking stock before the new millennium. At a cursory glance, 1999 has the makings of a fine vintage.

We cannot ignore the 50th anniversary of Richard Strauss's death (or which more on Page VIII), any more than we can overlook the centenaries of Francis Poulenc and Kurt Weill. Most UK opera companies will stage one or other of the Strauss's stage works - but none so ambitious as Garsington Opera, which is mounting the UK première of *Die Liebe der Danae* in June. The two German cities most closely associated with Strauss are taking an oddly tepid view of the anniversary. Munich has little more than a pair of festive concerts under Lorin Maazel. In Dresden, Colin Davis conducts a new production of *Ariadne auf Naxos* - one of the few Strauss operas with no local resonance. In New York, there are revivals of *Intermezzo* at City

Opera and *Elektra* at the Met.

Poulenc's *Carmenlets* will be staged in London, Santa Fe, Paris, Strasbourg and Savona, but apart from a handful of concerts in London and Paris, the Poulenc anniversary seems

little more than a useful marketing tool for record companies with a strong back-catalogue. And Weill? In June, Chemnitz will mount the first complete staging of *The Eternal Road* since the 1937 New York première; there's also a Weill celebration at London's South Bank Centre in the autumn, featuring Ute Lemper, HR Gruber and the London Sinfonietta.

New music flourishes. Top of the list are two Magnus Lindberg premières - for the Cleveland Orchestra (April 1) and for cellist Anssi Karttunen and the Orchestre de Paris (May 6). There are new orchestral works by Judith Weir for the Boston Symphony (January 13), by John Adams for the Los Angeles Philharmonic (February 19), and by Sofia Gubaidulina for the NHK Symphony and New York Phil-

harmonic (both in April). Hans Werner Henze is writing a song cycle for Ian Bostridge (Cologne and London in November), and the BBC will mark Louis Andriessen's 60th birthday with a big event at the Proms.

Of the countless Peter Maxwell Davies premières scheduled for coming months, the most significant seems to be the first European performance of *A Reel of Seven Fishermen* in Manchester (February 20); this is not one of his lighter pieces, but a substantial orchestral score. John Woolrich has written a Concerto for Orchestra for the London Mozart Players' 50th anniversary (February 11), and Mark-Antony Turnage's *Silent Cities* will receive its European première in July at the Cheltenham festival, where he is featured composer. Other composer-celebrations include an Alexander Goehr festival in Cambridge (January 20–March 13) and performances in Helsinki of just about everything Thomas Adès has written (March 5–10).

In London, the South Bank's "Endless Parade" in April is an ambitious retrospective of British classical music from the past 50 years. Drawing on the services of the BBC orchestras, it includes concert performances of *Death in Venice* and *King Priam*, and new commissions from Richard Causton and David Bedford. The South Bank is also mounting a big Rakhmaninov series in May, with artists of the calibre of Evgeny Kissin and Vladimir Ashkenazy. Later in the year, to mark the 150th anniversary of Chopin's death, there will be six recitals featuring Uchida, Pollini and others.

After its year-long exertions with "Inventing America", the Barbican takes a more piecemeal approach to 1899. The musical plums include a Cuban festival in May, a St Petersberg invasion in June led by Gergiev and Temirkanov, and the return of Jessye Norman in late July.

The London Symphony Orchestra takes its Elgar series to New York this month, before returning to the Barbican for concerts

with Chung (mid-February), Maximal (late February) and Hartink (June). It also accompanies José Cura in concert performances of *Otello* in May. The Philharmonia continues its Mahler/Vienna series in late February and March with blockbuster concerts by Dohnányi and Boulez, followed by German Romantics with Thielemann in April, Berliner with Gergiev in May and an Elgar series starring Bryn Terfel and Anne Sofie von Otter in June. The London Philharmonic welcomes back Hartink later this month and gives young Daniel Harding a platform in April. The Royal Philharmonic pairs Brahms and Berg at the Barbican, and plunges into the second half of its Mahler cycle at the Albert Hall.

Birmingham upstages London with two UK exclusives: a concert *Rinaldo* starring Cecilia Bartoli (January 13) and a Sibelius weekend with the Lahsi Symphony Orchestra under Osmo Vänskä (February 27–28). The most interesting events at the City of Birmingham Symphony Orchestra continue to revolve around Simon Rattle: "Towards the Millennium" reaches the 1980s, with Nigel Kennedy playing Gubaidulina's *Offerorium* and Rattle taking Nicholas Maw's *Odyssey* around Europe.

The Bournemouth Symphony Orchestra also revisits old times when it welcomes back former chief conductors Paavo Berglund and Andrew Litton in March and April. In Glasgow, in the Scottish National Orchestra's "Discovery" series includes the first performance north of the border of Tippett's *The Rose Lake* and the European première of Korndörfer's Fourth Symphony.

The most significant operatic premières all take place in the second half of the year: Michael Torke's first opera as part of a triple-bill at Glyndebourne (July 1), Berlin's latest "azione teatrale" at Salzburg (July 24), Elliott Carter's *What Next?* in Berlin (September 14), William Bolcom's new Arthur Miller opera *A View from the Bridge* in Chicago (October 6), and the Glasgow season also includes the UK première of Delius's *The Magic Fountain* and an Antony McDonald staging of *Aida*. After touring Phyllida Lloyd's production of *Carmen*, Opera North has a new *Arabella* (May 22) and a revival of *Gloriana* starring Josephine Barstow.

Until December, ENO has London largely to itself highlights a new *Paradise* (February 13), a revival of *Salomé* (April 1) and the return of Mark Elder and David Pountney with *Der Freischütz* in the autumn. Glyndebourne opens in May with a revival of *La clemenza di Tito* and *Rattle* taking *Nicholas Maw's Odysseus* around Europe.

This will tell us whether Graham Vick, after a string of poor performances, has found his form again.

He crosses the Atlantic next month to stage *Moses und Aron* for the Met, with John Tomlinson and Philip Langridge in the title roles (February 8).

In Europe, too, English direc-

tors are the flavour of the moment. Martin Duncan returns to Munich for *La clemenza di Tito*, David Pountney tackles *The Greek Passion* at Bregenz and Keith Warner will produce *Lohengrin* at Bayreuth. In Paris, Phyllida Lloyd stages *Macbeth*, in a season including new productions of *Plácido*, *Wozzeck* and *Don Giovanni*, with Terfel singing the title role for the first time on stage.

After extensive renovation, the Châtelet re-opens in October with two Gluck productions conducted by John Eliot Gardiner. Another historic theatre due to re-open its doors this year is Barcelona's Liceu, risen from the ashes of the 1994 fire.

New recording stars

Voices before batons

It's becoming harder to get a hearing, writes Richard Fairman

This time last year the FT published a list of 10 young singers and musicians who had been marked out as names for the future. Each had secured a record company contract, promising financial support and the backing of a large public relations machine. But the outlook for the class of 99 is not encouraging. The classical record industry is in the throes of one of its periodic bouts of restructuring, and record industry executives are saying that they cannot take on new artists for whom there is no demand.

Few conductors of the younger generation have captured the public imagination and there is resistance to what is seen as the hyping of young instrumentalists, particularly girl violinists.

Without question it is last year's singers who are making the grade. Tenor José Cura, baritone Matthias Goerne and soprano Natalie Dessay and Christine Schäfer have all advanced in their recording careers. But the front runner is probably an unexpected candidate: the counter-tenor Andreas Schöll exceeded all predictions for 1998. On the Saturday before Christmas it was possible to walk into six of the biggest record stores in central London and hear Schöll's latest disc playing in four of them.

Barely a year after he had signed a contract with Harmonia Mundi, one of the larger independent companies, Schöll was poached by Decca, with whom he is now an exclusive artist. Whatever marketing he was given before, we can now expect it to grow exponentially. Is the industry about to sell us the first counter-tenor superstar? Evidently there are managers in rival record companies who think so, as there is now a race to sign up counter-tenors who might supplant Schöll's success.

For its part, Virgin Classics can claim to have signed up a good one. David Daniels first came to international attention when he made his memorable Glyndebourne debut in Handel's *Theodora* in 1996. Covent Garden followed last year together with debuts in New York, Munich and San Francisco. Schöll may have captured the high ground in the concert hall, but Daniels's stronger sense of theatre has made him number one in the opera house - at least for the time being. His first recording for Virgin was a disc of Handel operatic arias. The battle of the counter-tenors is under way.

Another frequent visitor to

the world's top opera houses is the Russian soprano Marina Mescheriakova. Her appearance in Bellini's *Norma* in Toronto last year spurred one of the FT's North American critics to bestow on her exceptional praise. Coming from Moscow rather than St Petersburg, source of the recent influx of Russian singers, she has staked her claim to the core Italian repertoire at the highest level. Last summer she sang leading Verdi roles at the Munich and Salzburg festivals; at the Metropolitan Opera, New York, she has appeared in Verdi's *Don Carlo* and has four more Verdi operas planned. It is fitting that her first two studio opera recordings will be rare Verdi operas - *Jérusalem* and *Alzira* - in the Philips Verdi series.

One of the most exciting discs of 1998 was the recital of Mozart opera and concert arias by Véronique Gens (to which the conductor Ivor Bolton gave vital support). That was the first fruit of her new exclusive contract with Virgin Classics and it certainly raised hopes for their future plans. This very appealing French soprano, with her pure but warm voice, has matured into an artist with wider potential. She played Donna Elvira in Peter Brook's production of *Don Giovanni* last year and looks set to make her calling-card in the medium term. In 1995 French critics voted her "Musical Revelation of the Year". Maybe we are just slow to catch on to this side of the Channel.

The Argentine tenor Marcelo Alvarez made his professional operatic debut only in 1996, but opera houses seem to snap up tenors as soon as they leave college. After three years on a rapid reconnaissance of Europe's leading opera houses, he passed through the UK last spring for an acclaimed appearance in *La traviata* with the Royal Opera at the Royal Albert Hall and made his first recital disc as an exclusive artist with Sony Classical. That was of bel canto, the natural territory for his mellifluous light to middleweight voice, and Alvarez also sings French opera: two areas in need of new tenor talent.

Another frequent visitor to

the cut-throat business of competing for new opera stars, the record companies are still prepared to work patiently with instrumentalists. It is not so long since the flautist James Galway was a household name and EMI is doubtless hoping to achieve as high a level of recognition for its young Swiss-French flautist Emmanuel Pahud, who has succeeded to Galway's old position as principal flute with the Berlin Philharmonic Orchestra. Pahud plays with superb musicianship (a disc of Haydn flute concertos is his latest release) and the marketing people will see no harm in his dark good looks gracing the album covers.

EMI is to be congratulated for putting investment into young musicians. Its "Debut" series has given a first chance to several dozen singers and instrumentalists and - remarkably - one composer. Thomas Adès featured in the first group of discs and the success of that venture led to a second "Debut" disc and a complete recording of his opera, *Powder her Face*. The composer, still under 30, has shown that it is possible to attract listeners to high quality new music if the thinking is original and the style communicative. His next opera has been commissioned by the Royal Opera for its new house in 2001.

By its very nature the Debut series concentrates on artists who do not yet have assured careers, but it is establishing a creditable track record. Among the latest group two have attracted particular notice. The 17-year-old French pianist Jonathan Glaz has won his fair share of competition medals, and his debut disc of Mozart, Beethoven and Brahms has been attracting good notices from piano experts. Percussionist Colin Currie, Edinburgh-born, in his early 20s, has the example of Evelyn Glennie before him in the popularity stakes, but his eclectic disc of contemporary percussion music suggests an artist who will stand out on his own path.

By far the most difficult job is to be a talent-spotter of conductors. A young conductor is almost a contradiction in terms, since most only emerge as having seri-

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GLOBAL ARTS '99

City of Culture

City with an eye on the past and the future

Weimar is more than a series of museum pieces – it is the emblem of the resurgence of eastern Europe, says Jackie Wullschlager

To foreigners, it is the name of the wobbly democracy that gave way to Hitler; it conjures up husky decadence, the world of Lotte Lenja or Cabaret. To designers it is the birthplace of Bauhaus; to musicians that of Bach and Liszt; to art historians that of Lucas Cranach and the glory of Reformation painting. But to everyday Germans Weimar will always resonate as the cradle of German classicism.

In the 19th century, before Germany was even unified, it was the unofficial cultural capital, a vital stop on the Grand Tour at a time when Berlin barely featured on the map. Thackeray satirised the town's Hotel Elephant in *Vanity Fair*, and Hans Christian Andersen on his tour across Europe wrote that as he drove "over the bridge and past the mill, and for the last time looked back to the city and the castle, a deep melancholy took hold of my soul... I thought my journey, after I had left Weimar, could afford no more pleasure". A century later, Hitler built Buchenwald concentration camp down the road, and after the war the town slipped into decay under east German rule.

This year Weimar, the tiny city nestled in the Thuringian hills which was forgotten by the world for 40 years, is coming to life again like Sleeping Beauty's castle. To celebrate a crowd of anniversaries in 1999 – Goethe's 250th birthday and Schiller's 240th, 80 years since the beginnings of Bauhaus and since the Weimar government held its first session in Goethe's theatre, and 10 years since German unification – it is European City of Culture for 1999, the smallest city ever chosen and the first from the former eastern European states.

Can it shape up as a mecca for international culture, and what are the local ingredients it can offer the global arts traveller? In this pre-millennial year, it is selling itself as a town uniquely placed to mix retrospective with an eye on the future. From few networks of streets in Europe does his-



The philosopher Nietzsche on his sick bed, Villa Silberblick, Weimar 1899, by Hans Olde

a gallery for contemporary

Among Weimar's coups are co-productions with the Georgian director Reso Gabriadze of *Pushkin's Journey* (June), celebrating the Russian poet's bicentenary with a drama of his fictional trip round Europe; with Lev Dodin and the Maly Theatre of St Petersburg of Andrei Platonov's *On the Road to Chetengur* (January), a surreal drama about the first utopias; and with the Plovdiv Theatre for a Bulgarian-French-German play about the crowning of the millennium, *The Coronation* (January/March).

The French conceptual artist Daniel Buren is redesigning the Rollplatz square, one of the oldest in the city, with something like the audacity of Paris's Louvre: white and coloured stripes rise and slope to and from the centre, creating a striking display of coloured surfaces. The State Museum, neglected after 1945, reopens this month as

programme, opening this month with Sir Neville Marriner conducting Haydn's *The Creation*, also celebrating its bicentenary. It continues with Daniel Barenboim and *A German Requiem* (April) –

Brahms was an enemy of Weimar ("I realised soon enough that I didn't fit in there. I would have had to lie") – followed by the Kirov Opera and Beriozov's *Grande Messe des Morts* (June); a

landmark production of Mahler's *Resurrection* symphony (August), in which Jewish and German musicians come together on German soil for the first time when Zubin Mehta conducts

the Israel Philharmonic and the Bavarian State Orchestra; and culminates with John Eliot Gardiner beginning in Weimar his project to record The Christmas Oratorio and all Bach's cantatas at historical sites for Bach Year 2000 (December).

Weimar cannot help itself;

it is nothing if not lofty and highbrow. You can eat and drink well – heavy, spicy meats, "Kaffee und Kuchen", local fruity wines – but this is not a sybarite's venue.

Even the restaurants, the

black and silver art deco Anna Amalia in the Hotel

Elephant and the Bauhaus

Wolff's Art Hotel, are mostly

famous for art.

In the cemetery grand dukes and poets lie side by side and, like any city that has built itself on culture, Weimar is intensely self-questioning. Its exhibition programme begins with a massive historical show about the first German Republic, "The Path to Weimar" (from February), and a sculpture show, "Be Naked Napoleon" (January-March) about art, idols and forgery.

"The Rise and Fall of Modernism, 1890-1990" (May-August) is the story of the avant-garde versus the conservative in German art, complemented by a dazzling programme of music banned by Hitler, "Degenerate Music 1933" (May-August), and by the controversial "The GDR Art Scene 1945-1989" (September-December). It ends with an English curator's attempt to answer the question Weimar believes will still obsess its visitors in 1999: Henry Meyric Hughes' exhibition (September-December) "Who's Afraid of Black, Red and Gold?"

Anniversaries

The great survivors

The coming year offers plenty of composers' anniversaries, as every year does. But there is an odd, thought-provoking pair of them this time: just 50 years past, on September 8, Richard Strauss died; while Francis Poulenc was born on January 7 a whole century ago.

That sounds the wrong way round, somehow. Most of us think of Strauss as a 19th-century Romantic, brilliantly "radical" in his early career, who soon found himself entrenched as a paid-up conservative while he lived on and on, outliving both Berg and Webern, although he died two years before Schoenberg did.

By contrast, Poulenc has

always typified the brittle

1920s: sharp, witty, knowing,

shameless about popular

appeal, decidedly short-breathed though acutely aware of new musical developments around him, and less critically aware of how

much he could do within the

special limits of his compositional range.

What links Strauss and

Poulenc is that, long since,

they have both been judged

"reactionary" composers –

creatures dislocated from

their Modernist times,

almost 20th-century dinosaurs; yet they have never fallen out of fashion. No other turn-of-the-century German or Austrian composer has steadily survived like Strauss; nor has any other member of the snook-
cocking "Les Six" group but Poulenc, Honegger and Milhaud still lurk among the descending shadows, but Auric, Durey and Tailleferre have dwindled to historical wreaths.

The thing to remember about Strauss is that nearly all his famous "tone-poems" – *Don Juan*, *Death and Transfiguration*, *Till Eulenspiegel*, *Ein Heldenleben* – were composed in the 19th century (bar *Don Quixote*, which that no less than his

and therefore allowing himself an unrestricted canvas: large orchestra, an extravagant roster of principals (all of whom must really be able to sing) and a great spread of luxuriant sets. At 75, he

had that no less than his

landmark production of

Mahler's Resurrection symphony (August), in which

Jewish and German musicians

come together on German

soil for the first time when Zubin Mehta conducts

these many years (the three late wind sonatas are incomparable); second, the brilliantly fluent piano music, which is not neglected; third, the popular "sacred" pieces (especially his *Gloria* and *Stabat Mater*); and finally his wonderful songs – loads of them, though fully accessible only to people with decent French.

Poulenc loved the contemporary "Surrealist" above all; although in his music they are made to sing superbly, they resist translation.

The Wigmore Hall concert that marked his exact centenary last week sold out months in advance. But there are other celebratory recitals on the agenda. His one, poignant, full-scale opera, *Dialogues des Carmélites*, is being revived all over Europe, but not in the UK. Nor is his vaudeville-opera *Les Mamelles de Tiresias*, which I think his most individual, definitive work, along with the delectable two-piano concerto from 1932.

And what about the purely orchestral music, and the ballets? I've never heard *Les Animaux modèles* played live in London, though its "Dawn" prologue is unfortunately affecting even beyond its obvious model, Ravel's "Lever du jour" in *Daphnis*.

Never mind: Poulenc seems to be always with us. Infinitely sophisticated on the margins, wry, mocking, wittily concise; and, on occasion, without disguise, sentimental beyond what any other decent 20th-century composer would risk. We need to keep him around.

Poulenc's centenary is

more awkward. The glories

of his quirky, irresistibly appealing oeuvre are, first,

the chamber music, which

has been constantly played

proper due, and he could

have counted on it had the

second world war not inter-

vened.

Most of us Straussians

know the recording of the Salzburg dress rehearsal, the *Generalprobe*, which was as far as the original cast for *Danae* went. The Allied forces were coming too close, so the "first night" was cancelled. After the war, *Danae* got lost; Strauss's interest in it had cooled, and besides he had gone on – to his own surprise – to write *Capriccio*, a mere "conversation-piece for music", which is now heard the world over.

In Britain, the half-centenary of Strauss's death will be marked by a *Danae* production (almost a contradiction in terms) at the plucky little Garsington Festival next summer, if their fickle neighbours permit.

It will nevertheless be the first British staging, and besides he had gone on – to

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